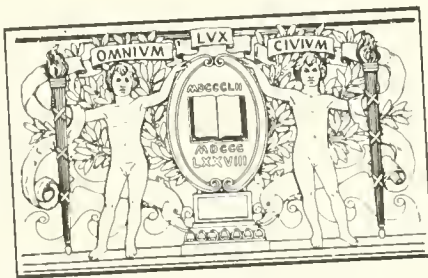


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**Department
of State**
bulletin

The Official Monthly Record of United States Foreign Policy / Volume 81 / Number 2046

January 1981



**Bicentennial
1781-1981**

Department of State bulletin

Volume 81 / Number 2046 / January 1981

Cover art:

Reproduction of official poster
commemorating the Bicentennial
of the Department of State

The DEPARTMENT OF STATE BULLETIN, published by the Office of Public Communication in the Bureau of Public Affairs, is the official record of U.S. foreign policy. Its purpose is to provide the public, the Congress, and government agencies with information on developments in U.S. foreign relations and the work of the Department of State and the Foreign Service.

The BULLETIN's contents include major addresses and news conferences of the President and the Secretary of State; statements made before congressional committees by the Secretary and other senior State Department officials; special features and articles on international affairs; selected press releases issued by the White House, the Department, and the U.S. Mission to the United Nations; and treaties and other agreements to which the United States is or may become a party.

The Secretary of State has determined that the publication of this periodical is necessary in the transaction of the public business required by law of this Department. Use of funds for printing this periodical has been approved by the Director of the Office of Management and Budget through January 31, 1981.

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For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402
Price: 12 issues plus annual index—
\$19.00 (domestic) \$23.75 (foreign)
Single copy— \$3.25 (domestic) \$4.10 (foreign)
Index, single copy— \$2.25 (domestic) \$2.85 (foreign)

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Department of State Bicentennial 1781-1981

To commemorate our bicentennial, we are pleased to present in this issue (center section) a short history of the United States Department of State by David F. Trask, the Historian.

This article also has been issued as a separate pamphlet by the Bureau of Public Affairs; copies may be purchased from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The Editors



Africa and U.S. Policy

*Address before the African-American Historical and Cultural Society and the World Affairs Council of Northern California in San Francisco on December 4, 1980.*¹

I am grateful for the opportunity to address this distinguished gathering. As you are aware—as I am only too aware—we are in a period of transition. I am called a “lame duck” Secretary of State. I don’t feel lame. And my voice is still working just fine. I intend to keep using it—now, and also in the years to come.

Next month we will have a new President in Washington and a new Administration. They come to power in times of extraordinary challenge, both at home and abroad. They deserve the encouragement and support of all who love this country. They shall have mine.

It is in that spirit that I want to discuss today a subject that will be vitally important in the years ahead—American policy toward the nations and the peoples of Africa. It is an appropriate subject to discuss—indeed, a necessary one—in this time of transition. There are two reasons why that is true.

The first is the record of President Carter. I know the hazards involved in trying to select those current events that future historians will find to have been useful. But I want to take that chance here. I suggest that the development of U.S. policy toward Africa—especially the steadfastness which helped make the Zimbabwe settlement possible—will one day be recorded among President Carter’s finest achievements and also among the most significant international developments of this period.

What has been tested in our policy toward Africa might be called the pragmatic application of democratic ideals. And it has received a ringing vindication in an enduring peace in Zimbabwe and a real improvement in our relations throughout the continent. So the reason why I want to discuss Africa policy now is that we need to understand outside of the heat of a campaign when we are beyond any motive either to belittle or to exaggerate—that something profoundly important is underway.

My second reason for discussing this subject is that if Africa policy has been an area of achievement for President Carter, it can just as much a source of opportunity for President Reagan.

We should not forget that the impetus for a more activist southern African policy, in assisting the independence process, had its roots in a Republican Administration. It was during the incumbency of President Ford that the United States first considered seriously the issue of Southern Rhodesia and judged that our energies should best be devoted to convincing an unrecognized, isolated regime to adhere to the principles of free elections.

As I will develop more fully in a few minutes, the new Administration has a special capacity, and a rare chance, to advance the cause of justice in Africa and build our relations there.

Before defining that opportunity, let me describe some of the realities which have been our guideposts in Africa, and then outline the elements of the policy now in place.

Current Realities

It is dangerous to generalize about Africa. It is a complex of diverse cultures and traditions, countries that are comparatively wealthy and countries that are desperately poor. Experiences under different colonial powers have left a variety of legacies—some bitter, some of real value. But despite this diversity, there are a number of central realities which bear on our policy.

A first undeniable reality is that African nations are deeply important to the United States. We not only want, we need good relations with them. African nations are increasingly important to us economically, both as markets and as sources of critical materials. African actions are important politically. The 50 African countries make up nearly one-third of all the nations in the world. In the future they will play a growing part in determining whether humanity will be successful in addressing central challenges to our common future—to curb the spread of nuclear weapons, to curtail population growth, to ease hunger and disease, to manage the world’s finite resources and guard them for generations to come.

African nations have another importance for Americans—one that is understood especially well by the African Cultural Heritage Society. For millions of our people, the tragedy of slavery severed the thread of personal history. As

those bonds are gradually restored—and as long, proud traditions are rediscovered—our own society, and all races, are the richer. So let us be absolutely clear on this point. Good relations with Africa are not only desirable; they are vital to our well-being.

A second reality that must concern us is that the people of Africa endure far more than their share of the world’s suffering.

- Two-thirds of the world’s most impoverished countries are in Africa.
- Africa has more refugees than any other region—more than 3 million people without homes, with little hope.
- Average nutritional standards in Africa are the lowest in the world, and they are getting worse.
- The natural resource base of Africa is threatened, as thousands of acres of farmland each year dry to desert.

The implications for people are clear. As they take a dreadful toll in human terms, these same conditions can also breed frustration and turmoil. And they make African societies vulnerable to pressures from outsiders seeking to exploit the suffering of Africans for ends of their own.

A third broad reality in Africa is a fierce determination to remain free from outside control. Nationalism, more than any ideology, shapes the dealings of African countries with the rest of the world.

This reality has a number of results. It means, for example, that while African nations need and seek assistance from outside, they are not likely to accept domination—from either West or East.

Nationalism also means we will see African societies evolving in their own ways, developing institutions appropriate to their own circumstances. They draw from their own histories and cultures, as well as from the experiences of both the West and the East.

These, in very brief summary, are some of the realities a sound policy toward Africa must accommodate—our own growing interests in Africa; the terrible poverty in many parts of Africa and the turmoil it can bring; the surpassing importance of nationalism in the policies

of African nations. How do we address them?

Elements of U.S. Policy

I have described our policy as the pragmatic application of democratic ideals. To some that might sound like a hopeless contradiction in terms—references to pragmatism and to idealism in a single phrase. But there is no inconsistency here, for it is clearly the case in Africa that we advance our interests by giving concrete meaning and expression to our most basic values—the commitment to human freedom and advancement we share with the peoples of Africa. Our policy has been firmly grounded in that abiding commitment to freedom.

- Our policy strongly opposes racial injustice. In southern Africa we have given practical support to the evolution to majority rule. In Rhodesia, now Zimbabwe, that meant resisting a premature, unilateral American breach of international sanctions and continuing the pressure for a true peace. In South Africa, it has meant broadening our own voluntary arms embargo and support for a mandatory U.N. embargo. Beyond that, it has meant a clear message to South Africa that our relations depend upon achieving racial justice—that other issues will not dilute our commitment on that fundamental cause.

- Our policy upholds the cause of peace. In Zimbabwe, in Namibia, on the Angola/Zaire border and elsewhere, the United States has been strongly identified with efforts to heal divisions and achieve peaceful solutions.

- Our policy in Africa has promoted respect for human rights. President Carter's human rights policy has found a special resonance in Africa. Human rights dialogues have been initiated in Dar es Salaam, Dakar, Sierra Leone, Cape Town, and Khartoum. Last year the Organization of African Unity adopted an African Declaration of Human Rights. In the broadest sense, the trend in Africa is clearly in the direction of greater democracy and freedom. Democracy is being restored in Nigeria and Ghana. Multi-party elections have resumed in Senegal and are expected in Uganda. And in some cases where there is only one party—as in Tanzania and Ivory Coast—there are numerous candidates for office, a growing acceptance of dissent, and expanded protection of individual political rights.

- Our policy has also been to support economic development in Africa and

to forge new economic links. Since President Carter took office, American economic assistance to Africa has doubled, to more than \$1 billion each year. Of course, it is still dwarfed by the need, but our aid has helped. And it has been concentrated on meeting the most urgent requirements of people, on easing their suffering, and on helping them become self-sufficient.

- And finally our policy supports African nationalism as the most dependable foundation for stable development and the strongest bulwark against outside intervention. Through the infusion of outside military means, the Soviets, the Cubans, and others have exploited and exacerbated a number of local and regional African conflicts. We have been, and must continue to be, responsive to the legitimate defense needs of African countries threatened by external pressures. Our security assistance to African nations has risen. But over the longer term, we will most effectively counter Soviet designs by holding to our own affirmative course—seizing the moral initiative on racial justice, working for the settlement of conflicts others might exploit, helping to build the strength and confidence of African countries so they can better resist external pressures. Because we have done so, the striking difference between American and Soviet aims has become increasingly clear to the governments and people of Africa.

The approach I have outlined—a strategy grounded in principle as well as in interest—is working. We have been able to cement our ties with old friends, such as Ghana. And we have found measurable improvements in our relations with a number of key African countries—with Nigeria and Equatorial Guinea and Uganda, with Somalia, Sudan, and Guinea, with Mozambique, Congo-Brazzaville, the Central African Republic, and others.

Opportunities for the New Administration

With this foundation, let me return to my earlier assertion that Africa policy is an area of great opportunity for the new Administration.

In Rhodesia, before 1979, it was possible for the Ian Smith government to cling to the hope that a conservative government in Britain might lessen the pressure for true majority rule. Instead, the Thatcher government upheld that principle with renewed vigor. It took the lead

in new negotiations. As a result, a settlement was achieved.

There are a number of areas where similar leadership by a Reagan Administration could have similar effects. Let me list some of them, not to second-guess the new President's priorities, but as illustrations.

In Zimbabwe, America has a strong interest in seeing the settlement succeed. Thus it is sound policy to offer the assistance that is badly needed to assure lasting peace and stability.

After a long and bitter conflict, Zimbabwe faces a massive task of reconstruction. Prime Minister Mugabe has embarked on a course of national reconstruction and reconciliation—to build a permanent peace by bringing the economic and social benefits of peace to the lives of people, black and white. Yet the strains in Zimbabwe are still severe. Our aid can help make a difference.

Elsewhere in southern Africa, the conflict in Zimbabwe devastated the economies of surrounding countries. The nations of southern Africa are now combining to restore economic health to the region. They have asked the West to join them in this effort. The first meeting among western and southern African nations on regional development took place last week in Mozambique.

American and Western interests could be greatly furthered by strong active participation in southern African regional development and by the expansion of our trade and investment throughout the region.

In Namibia, a peaceful settlement to a long and tragic conflict is now within reach. A date of March 1 has been set for implementation of the agreed settlement plan. Next month, the parties will meet to discuss final arrangements.

The hour of decision has come for South Africa. If the Namibia settlement is implemented, it will bring peace and stability to South Africa's borders where a needless conflict is now costing South African lives and is providing even greater opportunities for outside intervention.

A new American Administration can argue with special force that it is in South Africa's own interest to stay on course and implement a settlement.

A Namibia settlement would fundamentally alter South African relations with neighboring states and with the international community. A settlement would prove that outside nations can work constructively with South Africa toward peaceful change and multiracial

Refugees: The U.S. Response

Address before a conference on world hunger and refugees at the University of Southern California in Los Angeles on December 5, 1980.¹

During my brief, but intensely rewarding tenure as Secretary of State, I was constantly reminded how the policymaking process—not just in this Administration, but in any Administration—inevitably pulls one toward the short-term perspective.

How should the United States vote, tomorrow, on a critical resolution in the United Nations? What is the appropriate response to a sudden development in Seoul, or in Tehran, or on Capitol Hill? The natural tendency is to address today's problem and to defer tomorrow's. It's one I have struggled against over the past 6 months. I find it difficult to know where I'm headed if my eyes are fixed solely on the ground immediately in front of me.

Today, I want to pursue with you that process of looking ahead—beyond the immediate crises, beyond the imminent transition of power.

What are some of the longer term social, economic, and technological forces at work in our world that will help define not just the next few years but the next decade or more? What do they mean for our own long-term security and well-being? And how will they shape the political choices we will face in the years ahead? To engage in such a look ahead is not to escape the present choices we face but to help illuminate them.

Let me inject a cautionary note at the outset. I suspect that most of you were as enthralled as I by the photographs recently sent back from our Voyager space satellite—by our ability to see, clearly and almost instantly, across billions of miles of space.

Unfortunately, there is no similar technology that enables us to project ourselves across time—to see the future as clearly as we can see the rings of Saturn. National behavior, no less than the hu-

man behavior that drives it, remains unpredictable—capable of unexpected new breakthroughs or of dangerous miscalculations.

man behavior that drives it, remains unpredictable—capable of unexpected new breakthroughs or of dangerous miscalculations.

Nonetheless, there are some trends we can identify—deeper, sometimes less visible economic and social currents that will shape the political landscape over the coming years.

Population Explosion

Each day, there are over 200,000 more mouths to feed in the world, each year, 75 million. By the year 2000, if these present patterns continue, the world will have an additional 1.5 billion inhabitants—an increase in the final quarter of this century that would equal all of the growth in the world's population from the birth of Christ through 1950.

Most of that growth will take place in the developing world. By the year 2000, developing nations will encompass nearly 80% of the world's people. They will be concentrated in increasingly crowded urban areas. The population of Mexico City will exceed 30 million, Calcutta will approach 20 million, Cairo, 17 million. And nearly half of the citizens in developing countries will be under the age of 19.

Our current estimates are that, in the aggregate, world food supplies will continue to grow. But in some poorer areas, the food available per person will decline, and food will be more expensive.

Unless we reverse existing patterns, important resources that are needed to feed and sustain that burgeoning population will continue to disappear. About 1 million acres of prime farmland are converted to urban use each year in the United States. Other farmland is drying into desert—a quarter million acres each year in northern Africa alone. And critical forests—which provide the primary fuel for nearly 2 billion people—are disappearing at the rate of 50 acres a minute.

None of these trends is immutable or

As we change Administrations, I think all Americans can agree on this fundamental premise—that we want to sustain constructive relations with the countries of Africa; relations that uphold our interests and theirs and the ideals that draw us together.

¹ Press release 334. ■

On the other hand, if South Africa refuses to allow the settlement to proceed, its isolation in the world will become more acute.

South Africa has expressed concern about the impartiality of a U.N. settlement in Namibia. I would note, however, that South Africa's own administrators, civil servants, and police will continue to operate in Namibia during the elections. It is important to remember also the fairness, integrity, and understanding with which U.N. representatives have conducted recent Namibian negotiations, as well as the standards of fairness which the United Nations has consistently followed in its peacekeeping around the world. Finally, we Western nations which opposed the settlement are wholly committed to fair elections. Our national interests as well as our national interests are involved.

And in South Africa itself, the question remains whether change will come through racial conflict or through negotiated progress. But change will come. It will come principally because mounting internal pressures will become irresistible.

It is in the interest of the United States to encourage early, meaningful change in South Africa. We cannot provide a timetable or blueprint. That is for the people of South Africa—all the people working together—to decide for themselves. But the new American Administration can be effective in encouraging progress in those areas where South African blacks are appealing for early change, and where many South African whites are receptive. We must find concrete ways to support the efforts of those seeking for peaceful change through South Africa's churches, community organizations, newspapers, and courts. We must assist those South African efforts socially and through the activities of companies, churches, universities, and unions.

These are but a few ideas, concentrated on southern Africa. If our new Administration were to embrace the essential thrust of these policies, a fundamental continuity in our policy would be assured, our credibility in Africa would be enhanced, and our bonds of friendship throughout Africa would be strengthened.

In conclusion, let me stress a fundamental point. As it affects the fate of the people of Africa, American policy in the future will be important, but it will not be decisive. The major determinants will

Where our policy will be decisive is in determining the kind of relations America can have with evolving African societies. In short, it is our own interests and our own future at stake in the quality of our approach to Africa.

irreversible. But they loom on the not-too-distant horizon, gathering clouds we must seek to understand and move to address.

Energy

In one essential aspect of reconciling human needs and global resources, we have made a good beginning in recent years. I speak of our energy future.

It is just a beginning, but it is grounded in an emerging international awareness that the end of the oil era is pressing upon us. Here at home, both our use and our imports of oil are finally going down. Domestic energy production is now going up. And the quest for new, renewable fuels is underway.

But we are by no means out of the woods. The trend is unmistakably in the direction of declining world oil supplies and increasing costs. The entire world faces the difficult transition out of the era of bountiful and inexpensive oil.

As we navigate this passage, the strains on the international economy will continue to be severe. Each time world oil prices rise 10%, world inflation jumps 1%, and overall world growth falls by a half percent. As world growth rates lag—and that is the outlook at least in the near term—the flow of world trade suffers, and competition among trading nations grows more intense.

The economic pressures on the less developed nations during this period of energy transition will be particularly difficult. Those developing nations that import oil have seen their overall oil bill rise 1,500% in the 1970s. Many have had to borrow heavily. Their debt now totals \$300 billion. Just to service that debt and pay for their oil imports now costs developing countries half of everything they earn from their exports.

Thus even as we design and build a new energy future—one less reliant on petroleum—the international community, oil exporting nations no less than the importing nations, continue to face the essential task of bringing greater stability to the pricing and the financing of our energy needs.

Spread of Military Technology

With the growing international access to nuclear power has come a greater potential access to the technology of nuclear weapons. Some half-dozen additional nations have the capability to produce a nuclear weapon within 2 years of a decision to do so. That is a chilling fact. Imagine

how much more dangerous would be any of the smoldering regional disputes we see in the world if one or both rivals had nuclear weapons.

And the unmistakable direction is toward greater and greater sophistication in the arsenals of the two nuclear superpowers—the United States and the Soviet Union. Greater accuracy and precision in our weapons, increased reliance on mobility and concealment, new military frontiers outside the atmosphere and inside the atom—these new technological vistas will be explored and conquered in the years ahead.

Whether the results of these new developments will be greater security for our people or less, however, depends not on the genius of our advanced scientists but on the wisdom of our political leaders.

International Cooperation

Individually and together, the developments I have mentioned raise a central paradox for the next decade. For the nations of the world to shape their own national futures will require an unprecedented degree of international cooperation. But the very challenges and strains which make that cooperation essential also make it intensely difficult.

None of the developments I have described can be significantly affected unless nations act together to do so.

- Bringing population growth under sensible and humane control will require both international resources and national policies.

- Striking a decent balance between the growing demands of more people for a better life and the single planet which must sustain all life is, by definition, a global enterprise.

- Managing national economies in ways that strengthen the overall health of the international economy rather than undermine it, building a security environment and an enforceable regulatory regime that restrain the spread of nuclear weapons, bringing the strategic arms race under sensible control—all of these essential efforts require a commitment to negotiation and to compromise.

Short-Term Advantages vs. Long-Term Interests

But the same international factors that command cooperation also conspire against that cooperation. Hard times inevitably drive peoples and nations toward

preoccupations inward. The natural tendency is to invest attention and effort on protecting one's short-term advantage, even at the expense of the longer term future.

What choice does the subsistence farmer have but to cut whatever firewood is available to cook the family's food regardless of the long-term ecological impact? What incentive is there for parents in an impoverished rural village to limit the number of their children when a larger family can be insurance against an uncertain future?

The same principle applies to nations. We have already seen the temptation to gain short-term national advantages when energy markets are tight, even if it drives up the longer term price. And when growth is slow and unemployment is high—in our nation or in others—pressures mount to protect domestic industries from outside competition, despite the longer term costs to all trading nations from a protectionist spiral.

By the same token, as growing demands for visible improvement in standards of living press in on fragile new governments, we could see the politics of Third World nations become more tumultuous.

As these internal frustrations are turned outward, the potential for regional rivalries and conflicts increases. And unless a pattern of mutual restraint is established on the part of outside powers, these internal and regional tensions will be a source of growing tension and danger in East-West relations.

In short, we face a period in which nationalistic impulses will be strong. The great challenge—for us and for others—will be to resist short-term expedients that only mortgage our future security and well-being, to take an enlightened, longer term view of our national interests.

Future Choices

What does this mean for our own future and for the choices we face in the years ahead?

Certainly, the next several years must be a time for building America's strength—for investing wisely in a military posture for the remainder of this century that will assure the balance and the stability upon which world peace rests, for regaining control of our energy future, for rejuvenating the productivity and competitiveness of the American economy.

But in the process of building our strength we, too, must resist the temptation to turn inward, to see unilateral solutions to problems that can only be solved through common action, to place barriers around our economy and ring our democracy with steel.

We must be deeply conscious, in the years ahead, of the constant need to balance the determined pursuit of our safety and prosperity in the short run with a willingness to cooperate and compromise in the pursuit of long-term interests we share with others.

There is no question that we face a world in which our own increased defense efforts are required. Soviet military power has increased steadily and significantly over the past decade. It would be extremely dangerous for us to permit the global military balance to tilt in the Soviet favor.

But even as we modernize our own military capabilities, even as we maintain our staunch opposition to Soviet military adventures in Afghanistan and elsewhere, we must continue the quest for a practical, achievable, equitable agreement that restrain the arms spiral. Military technology will not stand still while we talk about ways to control it. It will move ahead. Achieving balance and enforceable restraints will become more difficult.

If we are to keep a handle on this rapidly and increasingly dangerous competition in strategic weaponry, we must build on the progress already achieved and press for further progress with a sense of urgency.

A balance between short-term needs and longer term interests must also be maintained in the area of trade. We must insist that the rules of international trade be fair for American workers and American industries. There will be situations in which temporary assistance to distressed countries will be necessary and appropriate. And we must be constantly sensitive to the immediate problems faced by workers and communities and companies disrupted by shifting patterns of world trade.

But if our response to a generally free competitive trading environment is to erect artificial barriers to an open trading system, we will only suffer in the long run.

We are a nation that thrives on world trade. One out of seven jobs in manufacturing alone depends on our exports. One acre of U.S. farmland of every five produces for exports.

If others cannot sell to us, it inevitably becomes more difficult for us to sell to

others. Protectionist answers drive our economy down and our inflation up. For the sake of our future prosperity, we must strive to make our own economy more competitive while keeping the international economy open to fair competition.

The same balance between short- and long-run interests will also be required in the pursuit of a more stable and peaceful world.

- We must be prepared to defend our vital interests if they are endangered. We must be willing and able to meet the legitimate defense needs of friends threatened by external pressures. And there will be security interests that require our continued relationship with governments that are unpopular with their own people. But we must also recognize that our security over the longer term is best assured if, working together with others, we are effective in addressing the conditions that breed instability and conflict.

- We must continue to be an active force for the peaceful resolution of potentially explosive regional disputes—in the Middle East, in southern Africa, in Central America, and elsewhere.

- We must invest in the economic progress of developing nations because it will contribute to our own progress and because hopelessness and frustration are the combustible ingredients for violence and extremism.

- We must continue to press for progress on human rights, encouraging the growth of political and economic institutions that can accommodate to change peacefully and that rest on the solid foundation of popular consent.

Finally, there is one other balancing act implicit in all the others—reconciling the need for a tightened national budget with the need for greater resources to advance our international interests.

The United States now ranks 15th among the 17 major industrial countries in the amount we spend per capita on international assistance. No programs have a narrower constituency among the American people and in Congress.

But we must come to recognize that helping to plant new forests in Africa, assisting small farmers in the Caribbean grow more food, aiding postwar reconstruction and reconciliation in Zimbabwe and Nicaragua, contributing to the ability of our friends in Southeast Asia to defend themselves from outside threats—these efforts are not “give-away” programs; they are not international charity. They are investments we make in our own future no less than the futures of others.

All of the trends I have spoken of today are real, whether we like them or not. But all of them are the work of human beings. And all of them can be harnessed and controlled by human beings, if we have the will and the skill to blend with our current preoccupations a determination to secure a safer future.

1 Press release 336. ■

Securing a Safe Future

Address at Kansas State University in Manhattan, Kansas, on December 4, 1980.¹

I'm grateful to Larry Berg and to the Institute of Politics and Government for inviting me to this conference and for drawing attention to the related problems of refugees and hunger in the world. And I want to express gratitude also to this audience, so many of whom have been in the forefront of efforts to help refugees here in California.

America's history and its resources—what we are and what we have—make it impossible for us to ignore these issues. Indeed, our historic values and our unmatched wealth compel us not just to play a role but to play a role of leadership in dealing with them.

Today I want to focus upon the subject of refugees: on the moral and practical issues that come to us in the human shape of up to 15 million refugees and displaced persons worldwide. I want to sketch for you the dimensions of the refugee problem as it confronts the United States and the world community. And I want to discuss what will be required of us—here at home and in our efforts abroad—if we are to deal responsibly with this issue.

If my remarks have any central point, it is this: that the United States and the world community must deal not only with the pressing outward manifestations of the refugee problem but with its underlying causes—war, political persecution, and other oppressions of the human person.

Dimensions of the Problem

One picture, as the old saying puts it, is worth a thousand words. And surely this is true when we see the photographs of

The Secretary

suffering among the world's refugees. A year ago our hearts—and our consciences—were touched by the picture of a Kampuchean refugee mother holding her dead child. Two weeks ago, newspapers carried a picture of a refugee woman in Somalia, crouching with her nearly naked child in a flimsy hut made of sticks and rags.

In recent years, such tragic scenes have become all too frequent as millions have been driven from their homes by wars, civil disturbances, religious or racial persecution, or repressive government policies.

- In West Asia and Southeast Asia there are 4–5 million refugees and displaced persons, including those driven to flight and near-starvation by Vietnam's drive against Laos and Kampuchea. In the past year alone, more than a million Afghans have become refugees, victims of the Soviet invasion of Afghanistan.

- About 4 million Africans have fled their homes; there are 3 million refugees as displaced persons in the Middle East; tens of thousands of people flee Eastern Europe and the Soviet Union each year.

- In our own hemisphere, there are now hundreds of thousands of refugees—not to mention the 136,000 Cuban and Haitian entrants who have come to the United States over the past 7 months.

These figures represent a sharp upsurge in the numbers of refugees worldwide. Since last January, hundreds of thousands of men, women, and children have fled their homelands. This alarming situation is graphically illustrated by recent increases in the budget for the U.N. High Commissioner for refugees. Last year, the UNHCR spent \$234 million for refugee relief. This year, the figure will more than double, to \$568 million. And in spite of this dramatic increase, the need far outstrips the resources available for helping refugees.

U.S. Position

Where does the United States stand in its efforts to deal with the problem?

Generally, we can be proud of our response. In the fiscal year that ended last September 30, the United States provided more than \$650 million for international refugee relief and resettlement programs. This includes our donations to international organizations, Food for Peace help to refugees, transportation

for refugees to the United States, and placement aid to voluntary agencies here at home. We admitted well over 200,000 refugees for resettlement in the United States. We received, in addition, 125,000 Cubans and 11,000 Haitians who have sought asylum in the United States but have not been granted refugee status.

Here at home, the Department of Health and Human Services provided more than \$600 million for refugee assistance in FY 1980. And the generosity of private citizens through churches and other groups is beyond all counting.

This generous response by the Federal Government, by the States, by churches, voluntary organizations, and individuals suggests to me that the people of the United States remain true to their traditions of concern for human rights and generosity to people in need. We can be proud also that the Congress has responded to the world refugee crisis by passing an enlightened law—the Refugee Act of 1980. This act has several important, even historic, provisions.

- It creates a uniform standard for defining refugees.

- It sets at 50,000 yearly the "normal flow" of refugees and enables the President, in consultation with Congress, to adjust that number if refugee emergencies require.

- It defines a fairer, more comprehensive system of Federal assistance for refugee resettlement within the United States. This is aimed at helping refugees become—as soon as possible—self-sufficient, contributing members of our society.

Having said all this, however, let me hasten to add: We are a long way from solving all the domestic problems that ensue from the world refugee crisis and the heavy flow of refugees to the United States. For the moment, let me touch on some of the issues we face. They are acute now; they will pose enormous challenges to those in the future who seek to deal with refugee issues.

Issues to be Faced

The first problem is the problem of growing impatience, weariness, and even resentment felt by our people about the burdens created by the acceptance of refugees and emergency entrants. It will do no good to deny or minimize this reality.

To begin with, some citizens question whether we can afford to spend so

much on refugees while other pressing problems demand immediate attention and resources. The practical burdens of helping refugees establish new lives in the United States are, as you know, enormous. The sheer numbers of recent years and the unpredictability of recent refugee waves have made careful planning difficult. They have given our national refugee programs an air of permanent emergency. The arrival of unorganized boat flotillas from Cuba over a short span of weeks last spring made it necessary, for example, to press widely scattered military facilities into sudden service as receiving centers.

Our social service programs—national, State, and local—have been hard pressed by this sudden surge of refugees. The State and local social service machinery of Florida has been severely tested by the influx of Cuban and Haitian entrants—just as California has extended itself to accommodate the influx of Indochinese refugees.

You who have served in refugee sponsorship programs know the challenge of finding jobs in stressful economies for refugees who may not speak English; whose skills may not be readily transferable to our job market; who may have trouble finding adequate housing when such housing for the disadvantage is already scarce. Perhaps because of such problems, public opinion is not always receptive to large waves of refugees and immigrants. How shall we deal with this problem?

To begin with, I would suggest that we put it in proper perspective. The United States—by virtue of its size, its wealth, and its humanitarian traditions—is, to be sure, the largest contributor to international refugee relief. We have received, in absolute figures, the largest number of refugees in recent years.

But our contributions, I would suggest, are by no means disproportionate to our capacity. Our contribution to international refugee relief agencies last year, for example, amounted to nearly \$166 million—an impressive sum. But at per American citizen, our contribution ranks not first but seventh in the world. Sweden, Norway, Denmark, Switzerland, the Netherlands, and West Germany all contributed more, based on populations, than we. And some other countries have resettled more refugees as a proportion of their total population than we have.

beyond reminding ourselves of these important facts, it is essential that the Federal Government generously cushion the impact of refugee resettlement on state and local budgets. To slash budgets in this area would not only press States and localities toward—or beyond—their limits, it would create new hardships for refugees and for our citizens, and would aggravate the danger of tension between refugees and host communities. That is a danger we cannot—should—avoid.

Second, how shall we cope with sudden influxes like that from Cuba last year? To argue that we should be open and generous is not to say that the United States can accept—or should accept—unlimited numbers of entrants or unlimited burdens.

The arrival last spring of thousands of Cubans in hastily organized boat flotillas casts this question and others into relief: What limits should we set, and how? What shall we do about the real problem of massive unlawful entry into the United States? How can we assure that our refugee and immigration policies are free of the taint of racial

A national commission on immigration and refugee policy, chaired by Justice Theodore Hesburgh of Notre Dame University, is pondering these questions now. But these questions should also be the focus of a careful national debate.

Third, what shall we do about the growing problem of "economic refugees?" Under the law, and the U.N. convention on refugees, we define refugees as those fleeing political persecution, not poverty. But sometimes the line between the two is too clear—as the plight of several Cubans and Haitians seeking asylum in the United States makes clear. Hunger, too, creates refugees. What should be our policy regarding those who flee both authoritarian rule and harsh, unrelenting economic deprivation? There is no easy answer to this question. But every boatload of hungry, miserable people sailing from the Caribbean toward our shores suggests to me that we must find an answer that is both humane and practical.

The problems I have discussed are problems we Americans feel because of our own experiences with refugees here at home. We Americans must work together to solve them. But we must never forget—and other countries should remember—that what America does takes on a broader context. The refugee problem is a global issue; it requires a global response.

So let me turn now to the international dimension of the problem. What should the international community do to help solve these pressing problems?

International Dimensions

To begin with, all nations must respond generously to help suffering people in camps and holding centers around the world. The funds must be provided. When necessary, all countries should be prepared to offer first-asylum—and many to provide permanent resettlement. This is an international obligation to be shared by all.

Furthermore, there must be an effort to establish clear, internationally acceptable principles governing the status and welfare of refugees, as well as the obligations of nations toward refugees. The U.N. General Assembly is now considering several proposals to define such principles. We believe that any such international agreement must include certain points.

- Large-scale expulsions of persons should be discouraged in the name of humanity and international order. I can imagine no justification—political, social, racial, or religious—for a government to force large numbers of its citizens to flee their homeland. Such expulsions are hostile acts directed by sending countries toward receiving ones and, thus, are doubly unacceptable.

- Persons displaced from their homelands should be allowed to return home voluntarily as promptly as conditions permit. The repatriation of persons following the end of the fighting in Zimbabwe and Nicaragua demonstrates that there are effective and humane ways to repatriate refugees.

- Nations guilty of mass expulsions must be obliged to repatriate immediately all criminals they have forced abroad, subject, of course, to the protection of rights extended to all displaced persons. We can no longer tolerate any country's attempt to rid itself of its criminal elements by cynically exporting them to neighboring nations.

- Our efforts must be focused on the fundamental human issues involved—on the human rights of refugees. Such an emphasis should cover not only the rights of refugees once they have left their native lands but also the obligations of the governments of the nations they are leaving—obligations to protect would-be

refugees pending their departure, rather than to harass them as now often occurs.

Even if the community of nations can agree on programs based on these principles, other questions will remain.

Can we, without scaling down our other relief programs, increase international aid to African refugees? A relatively small fraction of the refugee relief budget has gone to Africa—even though refugees in Africa constitute almost one-quarter of the world total.

And can we improve conditions for refugees worldwide, without creating a "pull" which actually induces people to leave their homelands?

If by raising such questions I seem to imply that the challenge is staggering I make no apology: It is. But the challenge posed by the global tidal wave of refugees is one we cannot—must not—duck. The response of the United States to refugee problems must go beyond refugee relief. It must include strong support for human rights. It must include generous programs for foreign assistance—to eliminate some of the hunger, disease, and misery that create refugees.

Ultimately, we and the world can deal with the human tragedy of refugee migrations only by working to remove their root causes—by overcoming poverty, by working to alleviate hunger, by ending abuses of human rights within nations, by opposing military aggression, and by encouraging peaceful settlements of conflicts around the world.

We are, of course, unlikely to solve these problems in a short time. We are a long way from having a world that is so just, so humane, so prosperous and stable that no person is forced to flee from home and country. But surely the effort to build such a world deserves the work of all people who cherish human dignity and the sanctity of human life. And while we seek to build such a world, let us take every practical step we can to alleviate human suffering—wherever we find it.

¹ Press release 333. ■

Southern Africa: Four Years Later

by Richard M. Moose

Statement before the African Studies Symposium of the Black Studies Program at Pennsylvania State University, University Park, on October 13, 1980. Mr. Moose is Assistant Secretary for African Affairs.

During the last 4 years Africa, and southern Africa in particular, have received increasing attention from your government and from the American people. We recognized, at the outset of the Carter Administration, that American values and American strategic and political interests dictated an American role—a more active American role—in southern Africa. I believe that we have good reason to be satisfied that our Africa policy has advanced these interests.

The pursuit of these three principles—human rights, racial equality, and democratic rule—has been the centerpiece of this Administration's Africa policy. Our forthright position and the progress we have made in southern Africa, based on these principles, have been the key to strengthening our African relations.

Our Africa policy is defined by the concentric relationships between South Africa and southern Africa, between southern Africa and the rest of Africa, and Africa and the United States. These relationships are substantively different today from what they were in 1977. This evening, therefore, I would like to review the southern African situation as we found it in 1977, the basic principles underlying this Administration's policy, and the components of the policy as it developed. I would like to compare these to the situation in southern Africa today and to consider the implications for future policy of the ongoing processes in southern Africa.

A basic theme of this Administration has been consistency between what we see as fundamental American principles and the substance of our foreign policy. We have acted in the belief that American principles and American interests should be mutually reinforcing—justice at home; justice abroad. In southern Africa this meant that our policies should be directed at progress toward the respect for human

rights, economic opportunity, and the full political participation for all peoples regardless of race. We concluded that U.S. political and strategic interests required progress on all three southern African issues—Zimbabwe, Namibia, and South Africa.

U.S. Policy

In the early months of President Carter's Administration, a difficult course was set. Vice President Mondale met in Vienna with then South African Prime Minister [Johannes Balthazar] Vorster. The Anglo-American effort on Rhodesia got underway, and the contact group began negotiations on Namibia.

Forty-six months later Zimbabwe is independent, the Namibian negotiations have been substantially advanced, and white South Africa is engaged in an agonizing reappraisal of the grand design of apartheid. Meanwhile, the United States has developed stronger relations with African states throughout the continent.

Our initial premise with regard to South Africa was that the system of apartheid is morally abhorrent and that our own traditions and principles required us, as a nation, to make clear our opposition. In addition, it was our judgment that apartheid, separate development, and racial discrimination undermined the pursuit of all of our interests—strategic, political, and economic. Our position was, therefore, clearly established on the basis of both moral principle and national interests.

On this basis we made the future course of our relations with the South African Government dependent upon progress toward the elimination of apartheid. And let me emphasize here that while this statement of policy—while it invoked specific political principles—it did not include explicit political prescriptions. Our actions and our statements over the last 4 years have been firmly based on the right and the need for full political participation. Our position is that the best political system for South Africa is one agreed to by all South Africans but not dictated by any one party. It is in this light that our policy toward South

Africa over the past 4 years should be interpreted.

Within the framework of our policy, we have taken a series of actions which speak to the seriousness of our intent:

- The United States fully supported the U.N. Security Council mandatory arms embargo in November 1977;
- Suspended all nuclear cooperation with South Africa pending South Africa's adherence to the NPT [Non-Proliferation Treaty] and the adoption of full scope safeguards;
- Unilaterally expanded the U.S. arms embargo to cut off any and all exports to South African military and police entities;
- Further curtailed all official sports contact;
- Limited official military cooperation and representation;
- Restricted visas for high-ranking South African military and police officers;
- Limited Eximbank and CCC [Commodity Credit Corporation] credit facilities;
- Supported U.N. resolutions condemning political repression by the South African Government;
- Publicly and privately we are protesting bannings, detentions, and denials of passports of South African leaders and citizens;
- Sent observers to political trials;
- Redrew our international visitors program to more accurately reflect the population balance in South Africa;
- Endorsed and promoted the South African code of fair labor practices;
- Gave technical support to black union leadership;
- Continued to recognize the so-called independent homelands of Transkei, Venda, Bophuthatswana, prospectively, the Ciskei; and
- At the same time, have sought to strengthen our official and nonofficial contacts with black organizations and leaders.

And here at home we have sought to make the American public aware of the moral, political, and strategic consequences of apartheid for the United States. The change in attitude which

se measures reflect represents a break with the policy of previous administrations.

As we anticipated these measures provoked strong reactions from all sides—from those who say that what has been done is not enough to those who would argue that these measures are only served to stiffen the back of the Afrikaner resistance or that we have now demonstrated that the United Nations is irrelevant to South Africa. There are elements of truth, antagonism, and wishful thinking in these points of view.

What is clear is that the ongoing discussions of Namibia independence, the changed U.S. policy toward South Africa, and the fact Zimbabwean independence have together produced an environment for South Africa which is markedly different from that which existed in 1977.

Internal Changes

South Africa underwent a period of change following the Soweto riots of 1976 and the murder of Steve Biko. By 1979 a new South African Prime Minister, P. W. [Pieter Willem] Botha included, in his own words, that "South Africans must 'adapt or die.'" All facts appear to justify the Prime Minister's sense of urgency; the pace of events continues to accelerate. Look at what is occurring inside South Africa:

- Black politics have taken on a new dynamism. Several increasingly powerful and articulate black groups, including particularly the ANC [African National Congress], Inkatha, the Committee of Ten, Black Consciousness, AZAPO [Azanian People's Organisation], the PAC [Pan-African Congress], the Coloured Labour Party, the Christian Reform Party are all actively promoting black political rights. Moreover, these groups are searching for common ground between themselves. Perhaps more important, however, is the rise of a new center of black political power in the trade union movement.

- The increasing strength of the black trade union movement in South Africa is one of the major historical developments there since 1948. This development, no doubt, reflects the larger role of the black population in the organized industrial sector.

- The so-called colored community has been an integral part of these developments and has undergone a historic shift of self-identification from almost white to almost black. Students have rejected Bantu education and the racial status quo in their own name and in the name of the entire black population.

- This black political and social evolution has been accompanied by increasing white questioning of the homelands premise—not that it was ever valid. Numerous recent reports,

as unrealistic in today's world but unjust, and even indefensible.

The business community is apprehensive that the perpetuation of apartheid not only limits prospects for growth but actually invites revolution and destruction. Changes within Afrikanerdom have, thus, been stimulated by a complex of domestic economic, political, and social developments. These internal developments are cast against an external backdrop where South Africa's buffer states have disappeared, leaving South Africa the

Increasingly, students, editors, writers, academics even, South Africa's military—we are told—now speak of apartheid not only as unrealistic in today's world, but unjust, and even indefensible.

some official, have documented the non-viability of economic apartheid. Indeed, it has even been suggested in official quarters that separate economic development be abandoned in favor of regional economic cooperation. That is to say, the white community is searching for an economic alternative.

- Certainly, the desperate search for political alternatives to the grand design of Malan and Verwoerd, short of one-man, one-vote, is clear from the plethora of constitutional schemes now being considered. In the process the Westminster political model is being abandoned, and a new white political system is taking shape in the form of a strong executive and cabinet decision-making. The Senate was dispensed with, with few notices or regrets, and replaced by the President's Council, whose fate, in turn, is uncertain without black participation.

The search for a new political dispensation for a political alchemists' formula has seized the white community. The most significant changes, to date, within the white community are in their expectations, in the search by the ruling minority for new political structures, its movement toward an economic policy of unfettered economic growth, as well as its increased use of the language and style of reconciliation. These attitudinal changes reflect an intellectual ferment within the Afrikaner community. Increasingly, students, editors, writers, academics even, South Africa's military—we are told—now speak of apartheid not only

world's only surviving white minority regime.

In the face of this reality, the politicians and advisers around the Prime Minister, including South Africa's senior military officers, have come to recognize that changes must be made in an effort to control both domestic discontent and international pressures. However, it is not yet evident that the white South African leadership understands the nature and the depth of black grievance nor is it prepared to enter into meaningful consultations with black South Africans.

The majority of black South Africans are clearly unwilling to accept a solution dictated by whites alone. They insist not on specific formulas for sharing power but rather on a national forum to discuss such formulas. Black political leaders, across the spectrum, appeal for black political rights, for serious negotiation on pressing problems, and for cooperative planning of the country's future. A few—but too few—significant meetings have been held. And frequently, those who call for dialogue are detained, imprisoned, or banned. The voices of conciliation and compromise across the country warn that it soon will be too late for talk.

We acknowledge that the situation in South Africa has changed and is changing, and it would be a mistake to think that the South Africa of 1980 is the South Africa of 1977. But it would

also be equally a mistake to interpret the difference as evidence of progress.

Apartheid: Policy vs. Theory

In considering change in South Africa in a historical perspective, we should underscore the continuous historical linkages in the policy of racial separation from the Tribal Authority of 1924 to the 1980 "constellation of states." Under whatever scheme, we are still dealing with a government that is pursuing a policy of separate political development, however described.

The contradictions between the historical continuity of apartheid policy and the collapse of apartheid theory render the immediate future of South Africa highly uncertain. That future rests on the question of leadership. If the white leadership of South Africa accepts the ultimate implications of the multiracial character of that country, a

neighbors can ignore the various implications of its presence. South Africa's leadership has a choice in dealing with its neighbors much like that choice which it faces domestically. Events in the surrounding states profoundly affect the South Africans who are, in turn, major players in the future of their neighbors. The nature of South Africa's domestic situation will continue to be a key determinant in its external relations.

External Relations

Similarly, South Africa is clearly linked with Western civilization and the industrialized world. Out of their current anxiety and frustration and their rejection of outside criticism, some Afrikaners are casting about for ways to deny the existence of links to the West which they have worked—and continue to work—so assiduously to foster. Visitors are told that the critics and their governments are irrelevant and that they do not matter to South Africa. Certainly, South Africa's trade statistics do not support this view, and neither does the behavior of South Africans themselves. The truth of the matter is that white South Africans are probably more attentive and sensitive to what is said about them than most people.

I had this brought home to me in a rather vivid way last January. I was repeatedly told during a visit that America had made itself irrelevant to events in South Africa. A few months later I noted in a press roundup, sent by our Embassy in Pretoria, that several South African papers had reported that the Legislature of Nebraska had voted to require state institutions to divest themselves of holdings in South Africa. Since I had not heard of this, I made further inquiry, and I found that it appears that Nebraska's action was not accorded immediate newsworthiness anywhere in the American press and, yet, it made headlines in several South African newspapers.

The formula for our own relations with South Africa and with southern Africa must reflect the set of concentric and interlocking relationships. We must stick to the principles which have guided our Africa policy during the past years. But we must adopt the particulars of the last 3 or 4 years

approach to the new realities of the South African and the southern African region.

U.S. Role

Our diplomacy and President Carter determined stand on the Zimbabwe sanctions question helped to make possible Zimbabwe's independence. We must now do our utmost again, in concert with others, to enable Prime Minister [Robert] Mugabe to translate independence into a better life for his people. In this assessment, we find ourselves in complete agreement not only with our European allies and Zimbabwe's black neighbors but with South Africa itself. What has and will happen in Zimbabwe will continue to exert a powerful influence on black and white attitudes in South Africa. Further assistance for Zimbabwe will be one of the important questions before the Congress when it returns. President Carter has pledged increased assistance to Zimbabwe on our part.

As Zimbabwe hopefully works on its problems, the nine Lusaka nations will be laying plans to develop South African regional economic linkages common benefit. We will attend the forthcoming planning conference on this subject at Maputo in November and, the Congress willing, we will support its work.

Within a few days representatives of the U.N. Secretary General will travel to South Africa to pursue agreement on the implementation of Security Council Resolution 435 in Namibia. South Africa's response to this mission will be a key indicator of its willingness to live and work in peace with its neighbors. Just as every nation's interests are being served by Zimbabwe's impressive and orderly transition to democratic rule, so will an end to the conflict in Namibia open new possibilities for economic progress and political stability in southern Africa. It is, clearly, the intent and within the ability of all those who have supported Resolution 435 to insure the impartiality of an internationally supervised transition process. The credibility of our commitment to that endeavor is reinforced by ours and everyone else's self-interest in an orderly and just outcome. South Africa will have an opportunity to establish its own good faith and credibility beginning a week from now.

The majority of black South Africans are clearly unwilling to accept a solution dictated by whites alone.

peaceful transition to the future is still possible. However, if the leadership cannot, or does not, rise to the occasion, the tragic consequences which ensue will be visited upon all South Africans.

It would be even more tragic if it were believed that the existing system could be preserved by force of arms. It would be equally mistaken to believe, as some are theorizing now, that the problems of apartheid will be solved by redefining South Africa's political orientation in terms of "no permanent alliances, only permanent interests."

What must be confronted is South Africa's permanent identity as an African country. South Africans cannot ignore southern Africa any more than the rest of Africa can ignore South Africa. Indeed, South Africans cannot detach themselves from the West any more than the conscience of the West can detach itself from apartheid. The concentric relationships are the permanent reality which define South Africa's permanent identity and determine both its alliances and its interests.

South Africa can no more ignore the fact that it is in Africa than its

Turning to South Africa's domestic scene, one hears fears expressed by white South Africans about something called "momentum." In their anxiety they worry that since Zimbabwe's independence is a fact, if Namibia goes, then South Africa will be next. But events in South Africa will not wait upon events in Zimbabwe or in Namibia. Events are moving at their own pace, and, as we observed earlier, that pace is accelerating.

In this confusing and often ambiguous situation, we must not fail to recognize change which is real and meaningful enough to merit our attention and our praise. We must also recognize, however, that we have lost credibility with black South Africa's increasingly diverse leadership; therefore, it is essential that we search for, and find, new and more meaningful ways to express our commitment to the aspirations of all South Africans.

Although some white South Africans charge that the United States fails to recognize and to act on their concerns, we are acutely aware of them. We consider that responding constructively to their legitimate security concerns is one of the essential factors in any peaceful dismantling of the apartheid structure and the institution of a system of full political participation.

At the same time, we will not allow ourselves to be denied a meaningful relationship with the black South African majority. Indeed, we must, in any event, do more to insure that our circle of contact with the newly emerging leaders continues to expand. The security and the welfare of the black majority is also an essential factor in the conduct of our relations.

Conclusion

It is neither our choice nor our wish that our relations with South Africa deteriorate further. We would like for those relations to improve, but such improvement can only come on terms which are consistent with our principles and acceptable to all South Africans. But, in any event, even at the extremes of disassociation, there is no way in which our principles or our interests will ever permit us to be disinterested or uninvolved in the fate of South Africa.

We recognize that South Africa is at a historical watershed: poised either to break out of self-inflicted shackles

or to pull back from necessary economic, political, and social changes. The future is there for South Africa's leaders—both black and white—to seize. The critical areas of change—in citizenship and constitutional arrangements—have been repeatedly enunciated by prominent South African leaders.

We are prepared to oppose, and to oppose strongly, the preservation of apartheid. But, we're equally willing to take the steps necessary to support a farsighted and courageous effort by all South Africans to come to terms with each other and with their neighbors. ■

Foreign Service Act, 1980

PRESIDENT'S STATEMENT, OCTOBER 17, 1980¹

I am today approving H.R. 6790, the Foreign Service Act of 1980. This bill provides the first comprehensive revision of personnel legislation for the U.S. Foreign Service in 34 years. It is an important step in the reform, simplification, and improvement of personnel administration in the Government, a top priority of my Administration.

Because of its special conditions of employment, including the requirement of availability for worldwide service, the Foreign Service was exempted from most of the provisions of the Civil Service Reform Act of 1978. I recognized then, however, that the Foreign Service, operating under a 1946 act designed for a far different world, was also in need of reform and that many of the civil service reforms, appropriately modified, would promote greater productivity and improve personnel management in the Foreign Service as well.

The Congress agreed, and we worked together to frame legislation. The Foreign Service Act of 1980 is the product of our nonpartisan collaboration.

While this bill was being drafted, events were occurring that brought home, vividly to all of us, the extraordinary demands placed on our Foreign

Service personnel. They play an essential role in the formulation and conduct of U.S. foreign policy, and their service abroad often involves deprivation and danger. They are exposed to acts of terrorism and, in some places, to open hostility toward the United States and its representatives. We owe them our fullest support.

The new Foreign Service Act recognizes the professionalism and dedication required by today's Foreign Service. It sets high performance standards, provides incentive awards for outstanding service, and strengthens career development programs. It permits the President to promulgate a pay schedule that complies fully with the requirements of the Federal Pay Comparability Act. The Executive order I will sign, shortly, will achieve comparability between the Foreign Service and General Schedule pay systems.

When I signed the Civil Service Reform Act just 2 years ago, on October 13, 1978, I said that it would "bring efficiency and accountability and competence to the Federal Government that exceed what we have known in the past" and that it would put "incentive and reward back into the Federal system." Our experience since that law went into effect indicates that it is bringing real improvement to the Civil Service—and that the American taxpayers are getting a better return on their tax dollar.

I take great pride in signing this bill today. It is a modern charter, well designed to meet the needs of the dedicated, able men and women of the Foreign Service in the decades ahead. I congratulate all Members of Congress and their staffs who devoted long hours and months to preparing it and who worked closely with my Administration in bringing it successfully to enactment.

¹ Text from Weekly Compilation of Presidential Documents of Oct. 27, 1980. ■

ASEAN-U.S. Dialogue

The third Ministerial meeting of the United States and the Association of South East Asian Nations (ASEAN) was held in Manila, September 10-12, 1980. Following is the full text of the joint press statement.

The Third meeting of the ASEAN-United States Dialogue was held in Manila on September 10-12, 1980.

The Honorable Anthony C. Albrecht, Deputy Assistant Secretary, Bureau of East Asian and Pacific Affairs, Department of State, led the United States delegation which included representatives from the Department of State, Commerce, Agriculture and Labor; from the Office of the United States Trade Representative; from the Agency for International Development; from the International Communication Agency; and from the United States embassies in ASEAN.

The ASEAN spokesman was Ambassador Sime D. Hidalgo, Director General of ASEAN-Philippines. The ASEAN delegations were led by Mr. Umarjadi Njotowijono, Director General, ASEAN-Indonesia; Mr. M. Jusof Hitam, Director General, ASEAN-Malaysia; Mr. Aziz Mahmoud, Director General, ASEAN-Singapore; and Mr. Vudhi Chuchom, Acting Director General, ASEAN-Thailand. The Secretary General of the ASEAN Secretariat, Honorable Narcisco G. Reyes, was also in attendance.

The welcome remarks of Foreign Minister Carlos P. Romulo as the chairman of the ASEAN Standing Committee, were read by Mr. Hidalgo.

Minister Romulo noted that the ASEAN-U.S. partnership has succeeded in moving into a "commitment stage" based upon "mutual respect and mutual interest."

He stressed that ASEAN and the United States share a long-range concern for the continued stability and sustained economic growth of the region. This is manifested by their common position in support of the UN Resolution which calls for the withdrawal of all foreign forces from Kampuchea.

General Romulo expressed optimism that despite the political tension, ASEAN has not veered from the course leading to its goal of self-reliance, economic strength, political cohesiveness and meaningful cooperation with third countries.

Noting the progress made in regional, cultural, social, and agriculture projects as well as in energy cooperation, he urged the delegates to pursue the activities in energy-related cooperation as well as in small-scale industry and shipping.

Finally, stressing that more needs to be done in the face of a worsening world economic crisis, he specifically endorsed several of the strategies set forth by U.S. Secretary of State, Edmund Muskie, for industrial nations to follow. He suggested that these strategies might well serve as guidelines in broadening the base of this dialogue.

The two sides reviewed with satisfaction the continuing growth of ASEAN-U.S. cooperation which complements their close bilateral relationships. During the meeting, they reaffirmed the mutual value of the ongoing ASEAN-U.S. Dialogue as the forum for their consultation and collaboration in support of peace and stability and economic development in Southeast Asia. The meeting examined all aspects of ongoing economic, social, and cultural cooperation between ASEAN and the United States; and exchanged views on ways to further develop these relations. A number of new project proposals were introduced and discussed and they will be further studied by ASEAN and the United States.

The discussion also covered a wide range of economic areas of mutual interest to ASEAN and the United States. Both sides agreed on the need for more intensive, cooperative efforts to counter developments in the international economic environment which posed a threat to continuing economic growth. At the same time, they recognized the opportunities for renewed growth associated with expanded U.S.-ASEAN cooperation.

ASEAN and the United States expressed satisfaction that the ASEAN-U.S. Dialogue has played a helpful role in the successful Common Fund negotiations completed in June of this year [1980]. The meeting also agreed to cooperate in the work of the forthcoming preparatory commission and particularly to elaborate positively operational aspects which will ensure a viable and effective common fund. ASEAN urged the United States to support the Philippines' bid for the site of the Common Fund headquarters. The United States expressed appreciation for being informed of the ASEAN position and agreed to give it early consideration. The meeting also discussed other measures to overcome international commodity problems. These included the early establishment of international commodity agreements covering commodities of mutual interest. In noting the successful conclusions of negotiations on the International Rubber Agreement (INRA), ASEAN expressed its appreciation to the United States for its support for Kuala Lumpur as the headquarters of INRA. Both sides agreed on the need for effective mechanisms to ameliorate the adverse

effects of export earnings in stability. The meeting also exchanged views on tin with a view to paving the way for successful negotiations for a viable and effective sixth international tin agreement.

The United States noted that bilateral agreements reducing tariff and non-tariff barriers have been concluded between the United States and each of the ASEAN countries within the framework of the multilateral trade negotiations. The United States also urged the ASEAN countries to accede to the MTN Codes and agreed to clarify the various questions raised by ASEAN regarding the codes and certain tariff concessions made by the United States in the MTN prior to the ASEAN meeting on the MTN, scheduled in Manila on September 24-26, 1980.

The United States also agreed to consider ASEAN request for additional product-specific tariff concessions, including some items previously discussed in the tropical products segment of the MTN. These discussions would take place in the context of bilateral trade negotiations which the United States is willing to undertake prior to January 3, 1982.

In response to the ASEAN request for accelerated implementation of U.S. MTN tariff concessions, the United States reported that it had already made a maximum effort in the MTN to accelerate staging of its tariff concession to ASEAN, but agreed to accept for review ASEAN country lists of those items which are not currently receiving accelerated implementation.

Both sides expressed concern about growing protectionist pressures and the potential adverse impact on world trade and, in particular the trade of developing countries. The United States reiterated its resolve to resist self-defeating protectionist pressures. It cited Secretary Muskie's speech at the UN Special Session in which he committed the United States to support a pledge by all countries to restrain protectionism and facilitate adjustment.

The United States reported that it has made substantial improvements in the U.S. Generalized Scheme of Preference since the last Dialogue.

ASEAN expressed its appreciation to the United States for the inclusion of Indonesia as a beneficiary of the U.S. GSP and the liberalization of the cumulative rules of origin. ASEAN welcomed this positive contribution to improve developing country access to the U.S. market. ASEAN urged further improvement in certain features of the program, specifically in product coverage, competitive need limitations, and rules of origin. The United States suggested that the ASEAN countries submit requests during the

qual product review to have additional products included in the list of eligible products. The United States also invited ASEAN to seek designation as a recognized regional association so as to qualify for the liberalized cumulative rules of origin. The United States also noted that ASEAN's GSP benefits continue to grow rapidly and indicated its willingness to send experts to the ASEAN countries to explain the GSP program.

Both sides recognized the importance of the private sector in expanding ASEAN-U.S. economic relations and expressed satisfaction with the formation of the ASEAN-U.S. Business Council. The meeting expressed confidence that the Council's proposed program will lead to closer cooperation between the private sectors in ASEAN and the United States.

The United States delegation reaffirmed the deep interest of the Export-Import Bank of the United States in the ASEAN countries, and its commitment to the expansion of economic and trade relations in support of ASEAN objectives. It indicated the bank would finance at least \$2 billion in transactions with the ASEAN countries over the next five years, including ASEAN industrial projects.

Recognizing the important stimulus which the programs of the Overseas Private Investment Corporation afford to the flow of private American investment into ASEAN, the U.S. side noted OPIC's confidence and enthusiasm for assisting ASEAN enterprises in locating appropriate U.S. partners and in supporting them in establishing and sustaining investments which will contribute to ASEAN's development goals. The U.S. side announced that a high-level delegation from OPIC would visit the region in October, 1980.

Both sides reviewed the status of ASEAN-U.S. development cooperation, and expressed satisfaction with the progress since the last Dialogue. The United States reiterated its strong commitment to regional development projects with ASEAN. In this connection, it announced that a U.S. review of the ASEAN plant quarantine project has been completed and the United States is now ready to sign the formal project agreement. The United States also expressed its commitment to continue working with ASEAN on the ASEAN watershed conservation and management research program, and announced the scheduled arrival of a U.S. advisory team on September 14, 1980.

ASEAN and the United States noted with satisfaction the signing of the project agreement on August 28, 1980, providing for U.S. assistance in the establishment of an ASEAN Agriculture Development and Planning center in Bangkok, Thailand.

The United States also responded favorably to a new proposal presented by

ASEAN for an ASEAN scholarship program for applied tropical medicine and public health.

Both sides noted that continued increases in the world oil price call for greater cooperation among industrial and developing countries in accelerating the transition to non-oil energy sources. Thus, the recent tour of ASEAN energy experts to U.S. energy facilities and organizations has served to stimulate ideas for greater collaboration in energy matters between ASEAN and the United States. As a first step in energy cooperation, ASEAN and the United States have agreed on a program of technical assistance, professional development, and formal exchange. The United States looks forward to working with ASEAN to develop the next phase of energy cooperation program over the next few months. The United States also proposed establishment of an ASEAN-U.S. consultative group on energy composed of senior officials and ASEAN agreed to look into this proposal.

The meeting reviewed the useful joint projects concerning drug control in the fields of law enforcement, preventive education and treatment and rehabilitation undertaken since the exchange of notes at the 1979 Ministerial meeting between ASEAN and the United States in Bali. They agreed to continue efforts to expand and improve this cooperation.

In order to continue the effective dialogue on economic matters that has characterized the ongoing ASEAN-U.S. Dialogue, both sides agreed to establish an Economic Coordination Committee associated with the ASEAN Washington Committee, as a forum for discussing economic issues of mutual interest.

Both sides were pleased that agreement on the committee had been reached, and considered its establishment a major achievement of the Third ASEAN-U.S. Dialogue and a positive step in the strengthening of ASEAN-U.S. consultations.

On shipping, both sides agreed that ASEAN and the other non-Communist developing countries' shipping lines be exempted from the constraints of the U.S. Ocean Shipping Act of 1980.

It was agreed that the Fourth ASEAN-U.S. Dialogue would be held in the United States next year on dates to be mutually agreed upon.

The ASEAN and United States delegations thanked the government and people of the Philippines for the warm hospitality extended to them during their stay in the Philippines.

The Third ASEAN-U.S. Dialogue was concluded in an atmosphere of mutual understanding and friendship. ■

U.S.-China Sign Grain Agreement

WHITE HOUSE STATEMENT,
OCTOBER 22, 1980¹

Today, we signed, in Beijing, a grain agreement with the People's Republic of China which accomplishes two important things. First, it will promote the sale of U.S. grain to a large and growing market. Second, it will further the process of building a long-term structure for U.S.-China relations.

Under the terms of this agreement, China will purchase at least 6 million metric tons (MMT) of U.S. wheat and corn annually for a 4-year period beginning January 1, 1981. The Chinese may purchase up to 9 MMT without prior notice.

Since the establishment of diplomatic relations in January 1979, U.S. agricultural exports to China have expanded rapidly and will reach a record \$2 billion in 1980. China is now our most important customer for cotton and one of the most important for other farm products.

The agreement grew out of a dialogue dating back to Secretary [Bob] Bergland's visit to the People's Republic of China in 1978. It will provide important benefits for both U.S. farmers and consumers. It will help to moderate the wide swing in grain prices that are often associated with annual fluctuations in agricultural exports. The agreement will also provide further stimulus to our dynamic agricultural export sector and contribute to our growing surplus in agricultural trade, which will reach \$22 billion in 1980.

The President takes great personal pride in the fact that, in his Administration, he was able to take the difficult but enormously successful step of establishing full diplomatic relations with China, the largest country in the world.

The establishment of diplomatic relations with China almost 2 years

ago made it possible for us to move ahead to build a new relationship which truly enriches us in knowledge, trade, and culture.

- Trade more than doubled from \$1.1 billion in 1978 to \$2.3 billion in 1979. This year we estimated it will almost double again to \$4 billion.

- About 25 cultural and sports delegations from China visit our country every 6 months, and we are reciprocating with visits by orchestras and other cultural groups as well as our Olympic athletes.

- We have 13 separate working agreements in science and technology, which not only give us current and future commercial benefits but make it possible for our scientists and technicians to share in China's research in medicine, earthquake prediction, and agriculture.

Important as they are, there is more to our relationship than trade and cultural ties. We have also begun, carefully and deliberately, to build a consultative relationship which will enable us to work together to identify and cooperate on issues of common interest, such as the Soviet invasion of Afghanistan.

This effort to construct a long-term strategic relationship is still new and, therefore, fragile. It is based on carefully written and painstakingly negotiated understandings set down in the joint communique establishing diplomatic relations between the United States and China. This Administration has consistently made clear its resolve to honor those understandings.

We have come a long way since that day almost 2 years ago when the President announced that we had reached agreement with the Chinese on the establishment of diplomatic relations. Thirty years of mutual isolation and hostility have been replaced with a deepening consultative relationship which is already contributing significantly to American security and to the peace and stability in East Asia and the world beyond.

¹ Text from Weekly Compilation of Presidential Documents of Oct. 27, 1980. ■

U.S.-Japanese Relations in the 1980s

by Richard C. Holbrooke

Address before the Japan Society in New York on November 21, 1980. Mr. Holbrooke is Assistant Secretary for East Asian and Pacific Affairs.

During the last few months, I have given a number of speeches on strategic issues in East Asia, the continuing war in Indochina, and the development of our new relationship with China. Although Japan has figured importantly in those speeches, as the cornerstone of our strategic posture and our strategic interests in the area, I have not yet discussed, in any detail, how I see the evolution of U.S.-Japanese relations in the midst of these other developments.

In less than 2 months I shall be leaving my present position. I shall leave with a sense of satisfaction that our relations with Japan have matured into a full-fledged, more equal and productive partnership. Nevertheless, challenges remain before us in the 1980s, challenges that will test our ability and creativity in adapting the U.S.-Japanese alliance to an increasingly uncertain environment.

Recent Developments

In the past 4 years, Japan's role in the world has begun the transformation from one of caution, with almost total attention to pragmatically centered economic activity, to political activism, partnership, and leadership. This change was first evident when Prime Minister [Takeo] Fukuda traveled to Southeast Asia in 1977, declared the "Fukuda Doctrine," and opened a new relationship for Japan with the nations of ASEAN [Association of Southeast Asian Nations]. Following that, and with Foreign Ministers [Sunao] Sonoda, [Saburo] Okita, and [Masagoshi] Ito playing leading roles, the sense of Japanese responsibility grew, not only within the government but in society at large. Under [former] Prime Minister [Masayoshi] Ohira and now Prime Minister [Zenko] Suzuki, the Government of Japan has actively reassessed the meaning of alliance and partnership, and the results, particularly in the

last year, have been nothing short of astounding.

- While hoping to improve relations with the Soviet Union, Japan has, nonetheless, taken a forthright stand in imposing sanctions on Moscow, believing, as we do, that the invasion of Afghanistan cannot go unanswered. Japan has stood second none in rejecting Soviet aggression, joined the Olympic boycott—a difficult step for both the government and the private parties involved. It has maintained economic sanctions even in the face of less principled behavior by others who have moved in to pick up contracts Japan might have had. It has provided massive new aid to Pakistan and Turkey not, as is so often alleged, because this would open export markets, but as an instrument for strategic purposes.

- Japan accepted a cutoff of over 10% in its crucial oil shipments when it refused to pay higher prices demanded by Iran, thus aiding significantly in halting the spiraling price of petroleum. And also with regard to Iran, despite an unfortunate problem early in the hostage crisis, since then Japan has been second to none in its support for our efforts there, as well.

- Japan has greatly expanded its policy-level contacts with Europe, working closely with the European Community, as well as with the United States, not only on Iranian sanctions but in developing a dialogue on a broad range of issues. This global approach is one of the striking features of the new Japanese policy.

- The relationship with ASEAN has deepened, and Japan has worked very closely with those nations, providing massive refugee assistance—second only to the United States—and playing a front-line role in the U.N. vote on Kampuchean credentials. Perhaps partially in recognition of the leadership role Japan played on the latter question, it was overwhelming voted in to serve on the Security Council recently. Only a year ago Japan had to withdraw from a similar effort.

- Again, in Southeast Asia, no nation has been more eager or more active in attempting to use its good offices and diplomatic resources to

have a solution to the Kampuchean problem.

• And finally, Japan has adopted a supportive and constructive approach to the allied effort to limit the damage of the Iran-Iraq war.

Speculation that these steps were only reactive and situational—that we did not obey any larger policy concept—was dispelled by the remarkable language in the Foreign Minister's annual policy report (the Blue Book) issued in August.

International relations are no longer conceived as a given condition for Japan, rather something which Japan should reform. As a responsible member of the international community, Japan must be prepared to make difficult choices, even at sacrifices. Such an attitude is to be backed up by a strong conviction that Japan must defend its basic values, that freedom and democracy . . . and further strengthen solidarity and cooperation with free nations, such as the United States and the Western European countries.

Few countries in the world today have stated their basic orientation so straightforwardly.

Part of the motivation for this approach is simply greater uncertainty about the international environment and a desire to seek safety in numbers. But I think a careful reading of Japanese political, public, and press opinion also reveals a new positive concept of Japanese interests and responsibilities. No longer is it adequate in Japanese minds to be economically strong and politically neutral. There in the Middle East and Persian Gulf is vital to Japan's interests.

Not aggression anywhere is a potential threat to security everywhere. Individual willingness to accept unrealistic demands for high oil prices to produce short-term supplies but at the cost of long-term dislocations that affect us all.

Thus, Japan has moved firmly in the direction of an alliance involving all the industrialized democracies—no military alliance, for that would go well beyond what is politically feasible or desirable for Japan, but a political-economic alliance in which we work together to achieve our common objective.

"Productive Partnership"

In a very real sense, I would argue, this represents the first stages of implementation of the "productive part-

nership" for the 1980s to which President Carter and Prime Minister Ohira dedicated their nations in May 1979.

You may recall that such partnership was based on "shared political and economic ideals" and reflected our respective responsibilities in world affairs.

One should not assume that this has been an inevitable evolution or that it will inevitably be sustained. The Japanese Government has had to work hard with all areas of its society and body politic to garner the broad support that the policy line now enjoys. And the success is all the more remarkable in light of the severe strains within the Japanese domestic political structure in recent times.

As Japanese leaders frequently point out, the starting point for that policy is the relationship with the United States. It is, thus, incumbent upon the Japanese—and upon us—to assure that the relationship remains dynamic and that its essence remains unaffected by the specific trade problems that seem to plague us from time to time.

Indeed, it is important to remember that the movement in Japanese policy I have described, and the increasing warmth in the relationship with the United States, has taken place during a time of considerable tension and frequent confrontation on the economic front. Given problems we have had in the past such as the textile issue, one hesitates to say that the level of problems over the past few years has been unprecedented. But I think it would be hard to find an earlier time when such a broad range of problems has existed on such basic economic issues as steel, color televisions, citrus trade, rice disposals, tobacco products, government procurement, nuclear reprocessing, and—most particularly—automobiles. And yet, as a recent poll by Potomac Associates and the Gallup organization showed, Americans continue to have an increasingly favorable view of Japan and of the Japanese people.

Let me cite some of the figures. In that poll, 84% of the people had a favorable opinion of Japan—higher than West Germany (81%) or Israel (78%) or 17 other countries listed in the poll. Only 12% had an unfavorable view.

But the economic problems did not escape those polled; over three-

quarters (76%) saw Japanese imports as a serious threat to American jobs today, and almost two-thirds (62%) saw such a serious threat 5 or 10 years from now. The number of Americans seeing Japan as an economic threat over the longer term declines, while those seeing China as an economic threat increase.

Bilateral Relationship

Here I think the successes have also been overwhelming, but I am concerned about what I would term the "pathology" of our trade disputes—concerned that over time the tendency both sides have to bring such disputes to the edge of political calamity may one day breach the firebreak we have all worked so hard to create between them and the underlying political, economic, and security relationship.

What is that pathology? The typical scenario is for the United States to identify a specific trade problem and raise it with Japan. The Japanese respond that it isn't much of a problem or there isn't much to be done about it or they'll try. Time passes. Nothing happens. Egged on by pressures from the Hill and from special interests in our business community—and one must say, sometimes at the urging of some Japanese—we escalate it to the very brink of a political breach. An agreement is finally struck which the United States views as inadequate and Japan views as the result of totally unjustified public bullying which has taken place without due regard for its concerns and its problems. The immediate crisis passes, but scars have been left. The cycle then repeats itself on some other specific issue.

Some people have argued that such pressures and confrontations are necessary to move both sides from extreme positions to more rational stances. That may be so, but it is precisely this pathology that I find deeply troubling, indeed, destructive.

What can we do about it? I think on the American side we must resist more vigorously the temptation to "hype" specific problems. We have not done that in the case of automobiles, however. We took our stand, of course, because we judged it in our best interest to do so. But the Japanese must appreciate that in addition

to concerns for inflation and energy, part of our calculation has been one of fair play, that blaming Japan—and punishing it for something not entirely of their making—was simply wrong.

Accepting the political burdens of this type of decision must be reciprocal. Thus, when the United States calls on Japan to take justifiable steps to open its markets further—as we are now doing on tobacco products and government procurement for telecommunications—I believe it is incumbent upon Japan to respond with imaginative and serious proposals which reflect the totality of our relationship, even if this means “taking the heat” from some special interests. Quite frankly, I think the Japanese Government has done just that in many cases. So my appeal is not only to Japanese officials but also to those special Japanese interests which may be involved in one instance or another, and to the Japanese press, which is ever vigilant for examples of U.S. pressure, to understand that we want to be reasonable, but that reason is a two-way street.

I would also be less than frank if I did not say that the strength of feeling which at least some Americans have for economic problems is, in part, a function of perceptions that Japan has gotten a “free ride” in the defense area. I do not happen to share these perceptions.

In fact, there is a growing myth in the United States that Japan doesn't have armed forces. This myth, which the Japanese have helped to perpetuate, creates a base of misinformation from which the issue is falsely debated. The question is not whether Japan should rearm. Japan already has a significant defense establishment. Consider the following facts: The Japanese Navy includes 45 destroyers and escorts and more than 35 minesweepers; Japanese air power counts more than 370 combat aircraft. All of these figures are larger than the figures for the same categories in the 7th Fleet and 5th Air Force. The real question is how much and how fast should Japan build its existing forces and contribute to the common defense.

With a defense budget which has increased at almost 7% annually in real terms over the last decade and which now exceeds \$10 billion—including about \$1 billion for support of

U.S. forces in Japan, forbidden from having offensive military forces by a Constitution shaped with U.S. influence—that country now has the seventh or eighth largest defense budget in the world. But on a per capita basis the burden (\$82) is about one-seventh of what Americans pay (\$550), and over half of the American public wants Japan to increase its defense effort.

There is no question that the quality of the so-called “defense debate” in Japan has changed markedly in the last 3 years, even in the past 12 months. Not only is the Japanese Government considering an almost 10% budget increase this year, but the nature of the debate about Japan's role has changed dramatically. And I think, over time, the combination of increased military spending and other contributions to our common security such as economic assistance will ease the concerns of most Americans about any “free ride.” In our view, a change in the Japanese Constitution is not necessary.

The Coming Decade and Beyond

Because we will continue to provide the strategic umbrella in East Asia and, indeed, throughout the world, we will doubtless regain some elements of the “senior-junior” relationship we have had in the past. But true partnership, which is the only sustainable model between two countries such as ours, must mean—if not an end—at least, a major change in the “unequal” nature of our relations. Japan is now a major global power, and both of us must continue adjusting to this fact. It will not be easy. But we in the United States must respect legitimate Japanese concerns, must abandon the idea that “consultation” means asking what others think and then doing what we want anyway, must be willing to accept that parallel policies are sometimes as good as—if not better than—identical approaches, must be willing to follow as well as lead.

And Japan must put into active practice the notions with which it is now seized—that while protection of national interests is every nation's first priority, the interests of the major powers involve responsibilities that go beyond immediate concerns,

that fairness and equity and partnership are concepts that must be broad viewed.

Economics. The course of U.S.-Japanese relations over the next decade will depend more on what we do in the United States to strengthen our own economy than on any other single factor. We must increase productivity and stimulate efficient, competitive industries. At the same time not only do real barriers to trade still exist in Japan, but a perception remains from past experience that Japan is “unfair.” I believe Japan has a responsibility to go beyond simply eliminating the relatively few remaining barriers. They must change psychological attitudes toward foreign imports nurtured during the postwar reconstruction period and actively facilitate competition from abroad, they are to maintain that kind of access to the American market. And they must take care that their domestic and foreign economic policies do not—and are perceived not to—disrupt competitive markets abroad.

Security. We do not seek a redefined role for Japan. We recognize and respect their constitutional constraints. But the challenges are great and the resources increasingly scarce. We are augmenting our own efforts to counter these trends, but I am on stating the obvious when I say that the Congress and the American people will not understand—and will not tolerate—the staggering costs they will be asked to bear without significant action by our allies as we. As I have indicated, I think in both the purely military field and in foreign aid, the trends are all in the right direction. I would only underscore the importance that these trends continue—and even accelerate—and that we work together in the closest possible way in support of our shared objectives.

Energy. Twice in the last 4 years we have faced near crises with Japan over energy-related issues. The first was nuclear reprocessing; the second oil. Both of these problems are now well understood and, indeed, we have moved to a new stage of cooperation in research and development of new energy sources. But the efforts to date are, in my personal view, grossly inadequate to the real needs; the potential for controversy is tremendous. I

ink we can make the accommodations necessary to avoid the pitfalls of working together with other nations, make historic contributions to the quality of life not only of our own citizens but of all mankind. But it will require patience and vision on both scales greater than at any time in the past.

Global Perspective

Our fundamental challenge during the 1980's will be to consolidate and integrate our major alliances—with NATO, with Japan, with ANZUS [Australia, New Zealand, United States pact]. This process is well underway in the Pacific, but there is work yet to be done. Our strategic interests in remaining a vital Asian power are more apparent today than ever. But there cannot be a strong American policy in the Pacific if it doesn't begin with a strong U.S.-Japanese relationship.

This fact seems to be appreciated today by the American public, as illustrated by the Potomac Associates poll I cited earlier. Although the poll showed that the American public correctly identified Japan as the major source of threat to American jobs, there was a very significant growth in acceptance of Japan as a major treaty ally and a country to whom the United States should commit its own national prestige if Japan's security is threatened. Almost 70% believe we would come to Japan's defense if attacked, up from only 37% 6 years ago. This suggests to me that the American public is capable of making the sometimes difficult distinction between trading rivals and strategic partners. That distinction is essential if we are to continue to build U.S. Pacific policy around an unbreakable Tokyo-Washington alliance.

Over the next several years we shall be facing a historic opportunity to draw Tokyo into an increasingly active partnership with the United States and Western Europe. Japan's recognition of a broader context for its own security concerns has been marked over the past year and will increasingly contribute to coordination

among the United States, Western Europe, and the Pacific allies, particularly Japan.

In doing this, however, we must take care to balance the defense aspect of our alliance with its political and economic dimensions. The issue of sharing the defense burden must be addressed in the broader context of economic, political, and security cooperation among the allies. This will make it possible for Japan to find alternate—perhaps unique—ways to carry its "fair share" without feeling pressured to assume an uncomfortably high military profile. By the same token, it can help reassure Japan's neighbors that the development of more impressive Japanese defense capabilities—or a rising Japanese defense budget—do not foreshadow independent or militaristic policies.

Clearly, Japan is moving gradually, and in its own unique way, toward a growing defense budget. They will never move as fast as some Americans want them to. But the trend, it seems to me, is unmistakable. The Japanese, as you all know, tend to do the opposite of what we do with our defense budget. We try to make our budget as big as possible for domestic purposes. The Japanese try to make theirs look as small as possible—in fact, smaller than it really is—for domestic purposes. So there is a wide misperception among Americans—even many in the government—about how much the Japanese are already doing.

In this regard, we should also keep our sights on what we want increased defense spending to accomplish, and how the burden can be most equitably and rationally shared. This applies not only to Japan but to our Western European allies, as well. To the extent that we put all of the emphasis on a single alliance issue—defense spending—we could create an exaggerated sense of disarray and unnecessarily encourage domestic political resistance among our allies.

Conclusion

Finally, we must take pains to insure that our consultations with Japan about strategic issues are fully developed. Japan's increasingly active international role will affect our interests and policies; ours will affect

theirs. We shall both want to be appropriately involved in each other's decisions. For example, we must keep Japan's concerns and views fully in mind as we make decisions about our future security relationship with China. It is a strategic issue relating significantly to our alliances.

This will require, above all, that the President must personally commit to maintaining the relationship and prevent those people in the Congress or in the domestic agencies who see special reasons to put stress on the relationship from letting that stress destroy it. I do not take it for granted that the lip service which we all pay to U.S.-Japanese relations automatically converts into a growing and improved relationship. It takes real determination and skill at every level of the U.S. Government.

Earlier this week I had breakfast with Saburo Okita, the former Foreign Minister of Japan. We reflected together on the last 4 years, and we agreed that if it had not been for the full personal commitment of three Prime Ministers and four Foreign Ministers, and for the efforts of President Carter, Vice President Mondale, Secretary Vance, Ambassador Mansfield, Bob Strauss, Henry Owen, Secretary Muskie, and a handful of other people, we might not have gotten through these 4 years without a major shock or a crisis. But I am proud to be able to say that we did. We have been particularly privileged to have Mike Mansfield as our Ambassador in Tokyo. He's the most extraordinary Ambassador I've ever worked with, and his contribution to the strength of the U.S.-Japan relationship today exceeds that of anyone.

A firm foundation exists today for the kind of relationship with Japan that will best serve both our interests and the interests of global stability in the 1980s. It is essential that this relationship be understood and preserved. ■

Strengthening the CSCE Process

by Griffin B. Bell

Opening address delivered on November 13, 1980, at the followup meeting of the Conference on Security and Cooperation in Europe (CSCE), which opened in Madrid on November 11, 1980. Ambassador Bell is chairman of the U.S. delegation.

It is appropriate that this second review meeting of the Conference on Security and Cooperation in Europe should be held in Democratic Spain. From the days of Queen Isabella, Spain has played a major role in Europe, and the explorations of Columbus—sailing under the Spanish Crown—established the link between the Old World and the New, a link recognized at our Conference. It is also appropriate that the Spanish delegation should be headed by Javier Ruperez, my distinguished colleague, for we well remember the active and constructive role he played in the negotiation of the Helsinki Final Act. In expressing my own delegation's view of that historic document, I can do no better than to quote the words of His Majesty Juan Carlos, the King of Spain. He said: "The main themes of international comity are reflected in the basic document of this Conference, the Helsinki Act of 1975, with regard to security as well as to cooperation, to humanitarian acts, to the right of free communication, and to the overall maintenance of individual and social rights."

The United States is fully committed to the process which began with the signing of the Final Act by the heads of state of our 35 nations. We are committed to that process because we believe it represents the soundest basis on which we can develop and strengthen our mutual relations. We support that process, as well, because it is founded on principles whose validity and truth have been tested and confirmed in our own experience throughout our own history as an independent nation. Let me cite a few examples.

- The Final Act demands respect for the sovereign equality of all nations. This principle was a touchstone of our early history as a nation,

for we had to fight to establish and then to maintain our sovereignty and national identity.

- The Final Act proclaims the principle of self-determination of peoples, a principle which is basic to our American Revolution. Indeed, it was fitting that a visionary American President, Woodrow Wilson, should have championed that principle following World War I and that his efforts should have aided the emergence of several of the nations represented at this Conference. And it is fitting that, today, my country should be in the forefront of those calling for self-determination where it is ignored or denied.

- The Final Act embodies, at its core, the great principle of human rights and fundamental freedoms, a principle born during the European enlightenment, nurtured by such great thinkers as Locke and Voltaire, and given voice by Thomas Jefferson in these words from our Declaration of Independence: "We hold these Truths to be self-evident, that all Men are created equal, that they are endowed by their Creator with certain inalienable Rights, that among these are Life, Liberty, and the Pursuit of Happiness."

Let no one doubt, therefore, the fidelity of the United States to the commitments we undertook at Helsinki. We could no more turn our back on those commitments than we could turn our back on our own heritage as a nation.

CSCE is more than a document. It is a dynamic and positive process—

- A process which is slowly but surely breaking down the barriers which grew up at the height of the cold war.

- A process which is bringing people together across the East-West divide.

- A process which facilitates the exchange of ideas and information and the growth of economic contacts, and

- A process which calls on each of us to carry out the obligations we assumed at Helsinki and which calls on all of us to examine how well those obligations are being carried out.

This Madrid meeting is the second major gathering since that historic day in Helsinki. The Belgrade meeting made clear that CSCE was a continuing process because it confirmed that the nations which signed the Final Act could come together periodically to examine how their commitments to one another had been honored and implemented. Such periodic examinations of the record are necessary. Without them, the great undertaking of Helsinki might remain a static, not a dynamic, concept. It was, therefore, encouraging for my government that, although the discussions at Belgrade were sometimes difficult and always frank, the Belgrade gathering provided—by consensus—for the holding of a similar meeting at Madrid as the next major step in the Helsinki process. We can hope that this process will continue as all nations come to recognize the truth that strong and confident governments have nothing to fear from plain speaking, from whatever source it might come.

Because of our conviction that CSCE is a positive process, indispensable to the advancement of security and cooperation in Europe, my government will be second to none in working to insure that this Madrid meeting further strengthens the CSCE process. We are not here to confront and to polemicize; we are here to cooperate and to construct.

Human Rights

Those gathered around this table will hear often over the next several weeks that the words of the Final Act on human rights and human contacts must be interpreted in different ways when applied in different social systems. This argument is untrue—and profoundly harmful to the spirit of our enterprise. The men and women who are citizens of our countries do not possess human rights because they are members of this or that social system. They possess human rights because they are human beings. Those rights derive, in the words of the Final Act, from the "inherent dignity of the human person and are essential for his free and full development."

To put it another way, I would like to cite a story involving the

at Russian writer Lev Tolstoy and American President Abraham Lincoln. Tolstoy was an admirer of Lincoln, and he liked to explain Lincoln's greatness to the simple people of his estate. Lincoln, Tolstoy said, was a great man because his every act was rooted in humanity, truth, justice, and equity. That description, it seems to me, suggests the principles on which human rights in the Final Act are based.

The Final Act itself tells us what these rights are. They include the freedom of thought, of conscience, and of religion or belief. They include the freedom effectively to exercise civil, political, economic, social, cultural, and other rights and freedoms. They include the right not only to practice but also to profess religious belief according to the dictates of one's own conscience. And they are, taken together, an essential factor for peace, for justice, and for friendly relations and cooperation among states. Governments can deny them—but they cannot change, nor reduce, nor destroy them.

The principles I have just recited come from the Final Act, but not only from the Final Act. They are principles which summarize over 2,000 years of our intellectual and political history, from Aristotle's charter for a state, to Tom Paine's fiery defense of political freedom, to the eloquence of Dag Hammarskjöld in the cause of human dignity. Those principles speak in our common heritage. They speak in the voices of patriots revered by each of our nations. They speak to all of us here and to all of the citizens of our countries. The question which history will ask about our endeavor is not only how well we lived up to those principles—whether we advanced or set back the cause of human rights and of human freedom.

It is a question which, in the first instance, each of us must ask himself for himself. We in the United States have done so and will continue to do so. I believe the U.S. record of implementation is something we can be proud of. We are a free society—free enough to admit our shortcomings and concerned enough to try to correct them. The degree to which we have fulfilled our obligations under the Helsinki Final Act is an open book for all to read. We are willing to profit from examination, suggestions, and

criticism. And this should come as no surprise, for the very first document of our republic—our Declaration of Independence, signed on July 4, 1776—states that we owe “a decent respect to the opinions of mankind.”

Violations in Other Countries

Just as the obligations undertaken under the Final Act require each of us to look carefully at our own implementation record, so they require each of us to look carefully at the implementation record of others. The record since our meeting in Belgrade has had some bright spots, especially in the area of freer movement across international frontiers.

- A number of countries—among them Romania, the German Democratic Republic, Czechoslovakia, Poland, and Bulgaria—have made important efforts to resolve the outstanding cases of their citizens who wish to be reunited with their families elsewhere.

- In several countries—such as Hungary, the German Democratic Republic, and Poland—there have been efforts to explore how church and state can better live with each other, consistent with the commitment in the Final Act to expand religious freedom.

- In Eastern Europe, as a whole in 1979, over 50,000 ethnic Germans were granted permission to join their relatives in the West.

- There has been encouraging progress in some countries toward creating more responsive and diverse social and economic systems.

- Several countries have undertaken studies of their own implementation records with a view to improving the performance. We hope this trend will continue.

- There has been some success in the security area of CSCE, where confidence-building measures have been implemented. Progress in economic, technical, and scientific cooperation has also been achieved, notably by the signature last year of the trans-boundary air-pollution agreement. In both the economic and security areas, progress has been modest, yet the Final Act has served as a catalyst for imaginative thought which bodes well for more ambitious steps when circumstances permit.

- Finally, the situation in and around the divided city of Berlin has remained relatively calm. It is of fundamental importance to European

security and cooperation that Berlin continues to receive the full benefits of the Final Act and the quadripartite agreement.

As encouraging as this evidence of progress has been, there is a darker side of the record of implementation which must also be considered. In this regard, I must mention, first of all, the invasion of the independent nation of Afghanistan by armed forces of the Soviet Union, forces which remain in that country even as our meeting convenes. I shall not recite all the provisions of the Final Act—and indeed, of the U.N. Charter and other solemn agreements—which this invasion violated. Nor will I pause to refute the transparent explanations which Soviet leaders have offered for their action. I will say only that the Soviet invasion cast a dark shadow over East-West relations which no meeting, no pronouncement, nothing, in fact, but the total withdrawal of Soviet troops, can dispel.

Were this the only instance in which the obligations of the Final Act had been ignored since our last meeting, our task here would be solemn enough. But this is not the case. As I have cited examples of progress, so must I call attention to a lamentable record of continued denial of human rights written over the past 3 years by the governments of some signatory nations.

- In the Soviet Union, in direct contravention of the Final Act, Western radio broadcasts—including those of BBC [British Broadcasting Corporation], Deutsche Welle, the Voice of America, Radio Free Europe, and Radio Liberty—have been jammed.

- In the German Democratic Republic, a new and punitive increase in required currency exchanges for Western visitors has drastically reduced the ability of West Germans, particularly, the elderly and the poor, to visit family and friends in the East.

- In the Soviet Union the Jewish emigration rate, which encouragingly reached a record high in 1979, has declined in 1980 by 50%, while at the same time, harassment and denial of exit permits continue as before.

- In Czechoslovakia, the courageous members of the Charter 77 group, created to monitor compliance with the Helsinki Final Act, have suffered continued harassment and periodic imprisonment. As I speak, Vaclav Havel, a

spokesman for this group, is serving out his 4-year term under harsh conditions of confinement, and

- In 1976 eleven men and women, citizens of the Soviet Union and longtime activists in the Soviet human rights movement, formed the Moscow Helsinki watch group to monitor the implementation of human rights commitments under Principle VII of the Final Act and under Soviet law. Similar groups appeared in the Ukraine, Lithuania, Georgia, and Armenia. The reaction of the Soviet authorities was to subject these brave people to brutal repression. Of the 71 individuals who have belonged to the Soviet Helsinki watch groups, 24 have been tried and found guilty, and 19 of them are currently serving a total of 156 years in forced-labor camps and exile. Eleven more have been placed under investigative arrest. Nine others were already serving previous sentences when they joined the Helsinki watch. Seven have emigrated, two were stripped of their citizenship while traveling abroad, one was exchanged for a Soviet spy, and one has died.

I will name only a few members of this remarkable group, but they are representative of all those in the Soviet Union who strive for the rights that are promised them in the Soviet constitution and in the Helsinki Final Act. All the world knows of Professor Yuri Orlov, the physicist, a courageous man always in the forefront, founder of the Helsinki group. The world also knows of Anatoly Shcharanskiy, falsely accused of espionage in an attempt to intimidate the Jewish emigration movement. Orlov was sentenced on May 18, 1978, to 7 years of strict-regimen camp and 5 years of exile. Shcharanskiy was sentenced on July 14, 1978, to 3 years in prison and 10 years of strict-regimen labor camp. Members of the other groups I have mentioned met similar fates. In the Ukraine and Lithuania, Mykola Rudenko and Viktoras Petkus were also sentenced to long prison terms because they sought fulfillment of Final Act commitments. All those who are free have the inescapable duty to speak out on their behalf and on behalf of the many others.

Finally, I speak now of a gentle

and compassionate humanist, a man who has devoted his life to helping the poor and the oppressed. Listen to his words.

Despite all that has happened, I feel that the questions of war and peace and disarmament are so crucial that they must be given absolute priority even in the most difficult circumstances. It is imperative that all possible means be used to solve these questions and to lay the groundwork for further progress. Most urgent of all are steps to avert a nuclear war, which is the greatest peril confronting the modern world.

Could anyone disagree with those words? Can we not all unite around the thought they express? Do we not all recognize that this thought goes right to the heart of the deepest needs and yearnings of mankind? On January 22 of this year [1980], the author of those words was exiled to the closed city of Gorky in the Soviet Union. When Andrei Sakharov was banished, some of our best hopes for a spirit of security and cooperation in Europe were banished with him.

There are those who charge that incidents such as these prove the worthlessness of the Final Act. My government strongly disagrees. The fact that a principle has been violated does not make that principle less valid, or reduce our obligation to seek fuller implementation of the Final Act. In that spirit, the United States will make every effort, within the context of the Final Act, to help create a more secure, a freer, and a better life for the 1 billion people who live within the borders of the states represented here. But CSCE will provide the means to this end only if its provisions are taken seriously and are seen to be taken seriously by our citizens. Therefore, my country will continue to speak out, in specific terms, against abuses of human rights. We call on all of you to do the same and to recognize that we cannot expect our citizens to have faith in future commitments if past commitments are ignored.

Our expectations for the present meeting are modest. The events I have mentioned have created an international climate which is not conducive to ambitious steps in the areas covered by the Final Act. It would be idle to

pretend that CSCE can somehow be insulated from the overall state of East-West relations. Indeed, such a pretense could only diminish the importance of the commitments undertaken at Helsinki.

But we do see some possibility of progress. For example, we and our allies have been doing intensive work to develop confidence-building measures which will be militarily significant, verifiable, and applicable to the whole of Europe. We hope that our consideration of such measures at this meeting will point the way toward a more secure future for us all. We are fully prepared to join with you in seeking to realize the full potential of confidence-building measures—we ask only that we concentrate on concrete steps and avoid empty declarations.

Conclusion

President Carter has asked me to give you the following message—he extends his warmest greetings to the delegates to this historic review meeting. For the President, CSCE is a unique and valuable forum which unites all the nations of Europe, the United States and Canada, in a common effort to rid the world of artificial barriers to the free exercise of human rights and to the free movement of people and ideas across international boundaries. It is his firm conviction that it must be our common goal to preserve and enhance the Helsinki process toward the day when its provisions are fully implemented and true security and cooperation among our nations have finally been achieved. ■

Poland

PRESIDENT'S STATEMENT, DEC. 3, 1980¹

The United States is watching with growing concern the unprecedented buildup of Soviet forces along the Polish border and the closing of certain frontier regions along the border. The United States has also taken note of Soviet references to alleged "anti-Socialist" forces within Poland. We

A Short History of the U.S. Department of State, 1781–1981

The Early Years, 1781–1823

David F. Trask
in the assistance of
David M. Baehler
and Evan M. Duncan

The United States Department of State traces its origin to the "Department of Foreign Affairs" created by Congress on January 10, 1781. Six years had passed since the 13 seaboard Colonies—now formed into the United States—had begun their rebellion against the authority of Great Britain. Congress believed that they had earned themselves "a place among the rising potentates of Europe" and felt the need to cultivate "a friendly correspondence and connection with foreign countries."

The need for diplomacy was apparent from the start. Given the overwhelming military strength of Great Britain, the United States could hope to gain independence only if it attracted support of other countries, especially France and Spain. In 1775 Congress established the Committee of Secret Correspondence to communicate with prospective supporters abroad and sent emissaries to other governments. Benjamin Franklin



This unfinished sketch by Benjamin West of the signing of the Preliminary Articles of Peace between the United States and Great Britain on November 30, 1782, in Paris ending the American Revolution shows (left to right) John Jay, John Adams, Benjamin Franklin, Henry Laurens, and W. Temple Franklin (grandson of Benjamin Franklin and Secretary of the American Commission). The British Commissioner and his secretary never appeared at West's studio. This sketch now hangs in the John Quincy Adams State Drawing Room at the Department of State. (Department of State photo)

The Livingston Brothers



Robert R. Livingston (Department of State photo)

Robert R. Livingston was born in New York City in 1746. He served on several committees of the Continental Congress, including the one that drafted the Declaration of Independence. He was the first Secretary for Foreign Affairs, serving from 1781 to 1783. In 1789 he administered the oath of office to President George Washington. As Minister to France (1801–04), he helped arrange the Louisiana Purchase.

Edward Livingston, Robert's brother, was born in 1764 at "Clermont," New York. After serving as a



Edward Livingston (Department of State photo)

Representative from New York and as Mayor of New York City, Livingston moved to New Orleans in 1804. He was a Representative from Louisiana (1823–29) and a Senator (1829–31) before serving as Secretary of State under President Andrew Jackson (1831–33). He then served as Minister to France (1833–35). His chief concern was with the French spoliation claims, involving compensation for damages to American shipping during the wars of the French Revolution.

served briefly as chairman of the committee, which in 1777 was renamed the Committee for Foreign Affairs.

Unfortunately, this committee's scope was strictly limited. As one of its most active members, James Lovell said: "There is really no such thing as a Committee for Foreign Affairs existing—no secretary or clerk further than I presume to be one and the other. The books and papers of that distinguished body lay yet on the table of Congress, or rather are locked up in the Secretary's [Secretary of Congress] private box." Franklin, sent to France as a representative of the United States, recognized the need for improved administration of foreign policy. Noting that Congress had placed the finances of the country

in the hands of one person, he wrote: "I wish they would do the same with their [foreign] correspondence, by appointing a single secretary for foreign affairs." The first constitution of the new nation, the Articles of Confederation, permitted Congress to select "such committees and civil officers as may be necessary for managing the general affairs of the United States."

Shortly after the congressional resolution of January 10, 1781, Congress selected Robert R. Livingston, a delegate from New York, as the first Secretary for Foreign Affairs. He took office on October 20, 1781, and served until June 4, 1783. Livingston experienced considerable frustration in office. One historian notes that his duties were not "clearly defined and he was never

13 South Sixth Street, Philadelphia



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Soon after taking office as Secretary for Foreign Affairs, Robert R. Livingston set up his offices in a small plain, brick house at 13 South Sixth Street in Philadelphia. This building was the first home of an office of foreign affairs as an entity separate from Congress.

The building had been erected in 1773. It consisted of three stories, an attic, with two rooms to each story. It had a gable roof which sloped to front and rear. A room on the second floor overlooking the street served as Livingston's office. Various "great personages" of the time "frequently clambered up the dark and narrow winding stairs" to transact business with the Secretary. Livingston's staff consisted of two Under Secretaries, a translator of French, and a clerk. The two Under Secretaries shared a bedroom on the second floor and the translator and the clerk occupied the ground floor.

The building ceased to be the home of the Department of Foreign Affairs after Livingston resigned in 1783. A succession of tenants then occupied it, using it at different times as a residence, a shop, and a board house.

a free hand." Later he served minister to France and in 1803 initiated the Louisiana Purchase. John Jay, another New Yorker, had helped Franklin negotiate the Treaty of Paris (1783) that ended the Revolutionary War, was appointed Secretary for Foreign Affairs on May 28, 1784, and he remained at this post until 1790. Jay became a severe critic of his own organization, whose powers were ill defined and whose leader was not granted sufficient freedom of action. During the national debate on whether to adopt the new constitution drafted in 1787, Jay cogently summarized his critique of congressional foreign policy under the Articles of Confederation:

They may make war, but are not empowered to raise men or money to carry it on. They may make peace, but without power to see the terms of it settled. . . . They may make alliances, [are] without ability to comply with stipulations on their part. They may enter into treaties of commerce, but without power to enforce them at home or abroad.

In short, Jay concluded, Members of Congress "may consult, and deliberate and recommend, and make requisitions, and they who please may disregard them," that is, obey. He thought that few would do so. The Constitution put into effect in 1789 obviated much of Jay's criticism. Article II, section 2 makes the President "Commander in Chief of the Army and Navy of the United States" and also gives the Chief Executive the power, "by and with the Advice and Consent of the Senate, to make Treaties, provided two thirds of the Senators present concur." Finally, the President "shall nominate, and by and with the Advice and Consent of the Senate, shall appoint Ambassadors, other public Ministers and Consuls. . . ." These provisions placed the conduct of foreign affairs principally in the hands of the executive branch, with certain powers conferred upon the legislative branch—especially to declare war, appropriate funds, and ratify and consent on treaties and appointments—gave Congress significant ability to influence foreign policy.

The Constitution did not specify an exact division of responsibilities between the President and Congress in the direction of foreign relations, but early precedents confirmed executive predominance. Thomas Jefferson early delineated the reasons for this

development; he insisted that "the President is the only channel of communication between this country and foreign nations, and it is from him alone that foreign nations or their agents are to learn what is or has been the will of the nation." He concluded that other countries should not be given an opportunity to play off the executive against any other branch. Ever since the earliest days of the Constitution, Presidents and Secretaries of State have adopted this view, although they have recognized the important role of Congress in the foreign policy process.

On May 19, 1789, James Madison of Virginia, then sitting in the House of Representatives, began the process that redefined the functions of the Department of Foreign Affairs under the new Constitution. He proposed the creation of "an Executive Department to be denominated the Department of Foreign Affairs." At its head would be "an officer, to be called the Secretary to the Department of Foreign Affairs." On July 27 Washington signed legislation to this effect. Soon, however, a new law passed Congress giving certain domestic responsibilities to the new Department as well as foreign duties. On September 15, President Washington approved this substitute, which set up a Department of State with a Secretary of State at its head. The President immediately appointed Thomas Jefferson of Virginia, then Minister to France, to be the first Cabinet member under the Constitution to hold the position of Secretary of State. The author of the Declaration of Independence took up his new duties on March 22, 1790.

The small executive Department did not grow rapidly during its early years. Jefferson's initial staff consisted of a chief clerk, three other clerks, a translator, and a messenger. (The title "clerk" refers to officers charged with the composition of messages to overseas missions and other correspondents.) The Department's domestic budget for 1790, not counting expenses of employees overseas, amounted to a mere \$7,961—the cost of salaries, rent, and supplies such as firewood and stationery. The Secretary of State's salary was \$3,500. Total expenditures in 1791, both domestic and foreign, were \$56,600. In 1807 the Department's staff included only a

Domestic Duties of the Department of State

On September 15, 1789, Congress passed "An Act to provide for the safe keeping of the Acts, Records, and Seal of the United States, and for other purposes." This legislation changed the name of the Department of Foreign Affairs to the Department of State because certain domestic duties were assigned to the agency. Among these duties were:

- Receipt, publication, distribution, and preservation of the laws of the United States;
- Preparation, sealing, and recording of commissions given to Presidential appointees.
- Preparation and authentication of copies of records and authentication of copies under the Department's seal;
- Custody of the Great Seal of the United States; and
- Custody of books, records, and papers of the former Secretary of the Continental Congress, except those of the Treasury and War Departments.

Many comparable functions were added at various times since 1789, among them issuance of patents on inventions, publication of the census returns, management of the mint, controls of copyrights, and regulation of immigration.

Most domestic functions have been transferred to other agencies. Among the few that remain in the Department are: storage and use of the Great Seal, performance of protocol functions at the White House, drafting of certain Presidential proclamations, and replies to public inquiries.

chief clerk, five other clerks, and some part-time help, along with a few retainers. The Secretary of State's salary had been raised to \$5,000 per year. In 1818 a Presidential order authorized a staff that included a chief clerk, seven other clerks, and a few others. In 1820 expenditures for domestic operations reached \$87,300; overseas operations totaled \$253,400.

The early overseas service of the United States was as unpretentious as



Thomas Jefferson, the first Secretary of State, began the distinction between the Diplomatic and Consular Services. He established the policy of neutrality in European conflicts. When he took office in 1790, the Department included 8 domestic employees, 2 diplomatic missions, and 10 consular posts.
(Department of State photo)

Treasury Department Building, Washington, D.C.



The first home of the Department of State in Washington, D.C., was in the "Treasury Department Building" which was shared with other government offices. It was located to the east of the White House, about where the center wing of the present Treasury Department building stands.

Completed in June 1800, the building was a plain two-story structure of brick on a free-stone foundation, with a basement and a dormer-windowed attic. There were 14 rooms on the first floor, 14 on the second floor, and 8 in the attic. After approximately 3 months in the overcrowded Treasury Department building, the Department of State moved into one of a block of houses on the north side of Pennsylvania Avenue between 21st and 22nd Streets Northwest.

the domestic establishment. Jefferson immediately drew a troublesome distinction between a *diplomatic service*, assigned the task of conducting political relations with foreign countries, and a *consular service*, which dealt primarily with commercial matters and the needs of American citizens abroad.

Benjamin Franklin had become the first American Minister to serve overseas when, on March 23, 1779, he presented his credentials to King Louis XVI of France. Other leading statesmen served as envoys during the 1780s—among them John Adams in the Netherlands, John Jay in Spain, and Thomas Jefferson in France. By 1791 diplomatic missions had been established in five European countries—England, Spain, France, Holland, and Portugal. Ministers concentrated mostly on two important responsibilities; they reported on significant activities in their countries of residence and executed formal diplomatic instructions transmitted to them from the Department of State.

Thomas Barclay of Pennsylvania was the first American actually to take up consular duties. He was appointed consul in France on October 2, 1781, replacing William Palfrey who was lost at sea on his way to France. By 1792, 16 consulates had been created, most of them in Europe. In 1790 Secretary Jefferson asked consuls to provide "such political and commercial intelligence as you may think interesting to the United States." He mentioned particularly news of American ships and also "information of all military preparations and other indications of war which may take place in your ports."

A congressional act of April 14, 1792, first provided legislative prescriptions for the Consular Service. Although this law made no specific mention of commercial reporting, consuls provided commercial information and met the needs of American citizens within their jurisdictions. Consuls were expected to maintain themselves largely by charging fees for their services, not always a bountiful source of income. Unlike their counterparts of today, they did not receive salaries or allowances for expenses. Because of the uncertainty of adequate compensation, consuls frequently served for

First American Consuls



William Palfrey (Department of State photo)

William Palfrey of Massachusetts not only the first American consular officer but was also the first member of the diplomatic service to lose his life in the line of duty. A lieutenant colonel in the Continental Army and former Paymaster-General, Palfrey was appointed consul to France on November 4, 1780. He was lost at sea en route to his post. His name is the first on the plaque in the lobby of the Department of State listing the martyrs of the foreign service.

Thomas Barclay of Pennsylvania, a merchant residing in France, was the first American consular officer to serve abroad. He was commissioned "vice consul in France" on July 10, 1781, and was commissioned as consul on October 5 to replace Palfrey. In addition to his consular duties, Barclay served as commissioner to settle foreign debts of the United States in Europe and negotiated a treaty of amity and commerce with Morocco in 1786. He was appointed consul in Morocco in 1791 but died in Lisbon in 1793 before he reached his post.

First American Diplomat



Benjamin Franklin, dressed in "the simple costume of an American agriculturalist," captivated Parisian society and laid the groundwork for French recognition of American independence. (Department of State photo)

Benjamin Franklin was no stranger to diplomacy when he was appointed on September 26, 1776, to a three-man mission charged with the critical task of gaining French support for American independence. He had already served in Great Britain as an agent for Pennsylvania between 1757 and 1762 and again from 1764 to 1775. His scientific and literary endeavors had made him the most distinguished American of the age. French aristocrats and intellectuals saw Franklin as the Enlightenment personified. His picture soon appeared on medallions, rings, watches, and snuffboxes, while fashionable Parisians adopted the *coiffure à la Franklin* in imitation of the fur cap he wore instead of a wig. His popularity prepared the way for

France to recognize American independence and to conclude treaties of alliance and commerce in 1778.

Franklin was appointed Minister to France on September 14, 1778, and presented his credentials on March 23, 1779, becoming the first American Minister to be received by a foreign government. His home in Passy became the center of American diplomatic activity in Europe. Franklin then served with John Adams and John Jay on the Plenipotentiary Commission that negotiated the peace treaty with Great Britain.

When Thomas Jefferson succeeded Franklin in 1785, the French Foreign Minister, Vergennes, said: "It is you, Sir, who replace Dr. Franklin?" Jefferson replied, "No one can replace him, Sir; I am only his successor."

many years in only one location, and they were often inactive. In 1807 a consul in La Guaira, Venezuela, was relieved of his duties because "not a single communication" had been received from him since his appointment in 1800.

Besides working through the regular foreign services, Presidents asked special agents to carry on particularly important negotiations. The first such agent was Gouverneur Morris of New York, who made an unsuccessful attempt in 1790 to arrange British compliance with certain provisions in the Paris Peace Treaty of 1783. The use of special executive agents gave the executive branch options that otherwise might not have existed, given the small size of the Diplomatic Service.

Representatives of the United States traditionally wore unpretentious clothing and adopted simple manners, a departure from the ostentatious practice at European courts. (For a notable exception, see box on "Consular Uniforms.") Americans deemed this policy appropriate for emissaries of a young republic that had repudiated monarchical tyranny. Thomas Jefferson, the most hospitable of men, was particularly opposed to undue ceremony and rigid protocol. He refused to recognize formal social distinctions at dinners held in the White House during his Presidency, especially the order of precedence—seating by rank. This practice greatly annoyed the foreign diplomatic corps.

Even if the democratic ideology of the new nation had not imposed republican simplicity, the meager salaries paid to American ministers would have produced the same effect. In 1817 President James Monroe, a former Minister to France and Secretary of State, complained to a congressional committee about the nation's failure to provide sufficient salaries and allowances for members of the Diplomatic Service. He insisted that an American diplomat could accomplish his duties only by gaining access to the most important social circles. "By taking the proper [social] ground . . . he will become acquainted with all that passes and from the highest and most authentic sources. . . . Deprive him of the necessary means to sustain this ground, separate him from the circle to which he belongs and he is reduced to a cipher." Congress did not respond to such importunings; ministers ap-

Diplomatic Dress

The United States took exception to the prevailing custom that obliged diplomats to wear elaborate costumes. Secretary of State William L. Marcy of New York, who served during the Administration of President Franklin Pierce, issued a dress circular ordering American diplomats to wear "the simple dress of an American citizen." This term meant a full-dress suit. The difficulty was that American representatives could easily be confused with entertainers, undertakers, or servants. James Buchanan, Minister to Great Britain, avoided this problem by requesting that the Department allow him to wear "a very plain and black-hilted dress sword" when he appeared at court.

During the Civil War, Charles Francis Adams reverted to a costume that included breeches, buckles, and silk stockings. Queen Victoria is said to have remarked, "I am thankful we shall have no more American funerals." In 1937 President Franklin D. Roosevelt issued an Executive order that provided: "No person in the diplomatic service shall wear any uniform or official costume not previously authorized by Congress."

pointed to the most important posts, such as those in London and Paris, were regularly forced to draw upon private means. This circumstance sometimes had the unfortunate effect of foreclosing diplomatic service to people without personal fortunes.

At the very beginning of the Department's history, certain personnel practices were adopted that adversely affected American foreign relations for many years. Little or no interchange took place between those serving at home and those in overseas posts. Moreover, no provision was made to encourage transfers between the Diplomatic Service and the Consular

Service. These circumstances limited flexibility and interfered with the development of professionalism; the basis for a professional career in the foreign service was not built until the 20th century. This situation reflected the general suspicion of all things foreign that characterized the early history of the United States. It also mirrored the declining importance attributed to foreign affairs after the War of 1812. Thereafter most Americans concentrated on the domestic activities of their government rather than on foreign operations.

The early Department of State and its foreign missions were chronically overworked, and so was the Secretary of State. John Quincy Adams, one of the most conscientious of men, complained of excessive responsibilities shortly after assuming his duties as Secretary in 1817. "Business crowds upon me from day to day requiring instantaneous attention," he wrote to his wife Louisa, "in such variety that unless everything is disposed of just as it occurs, it escapes from the memory and runs into the account of arrears." Despite the great prestige of the Secretary of State in the early days of the nation, Congress remained extraordinarily penurious when allocating funds to conduct foreign relations, a condition that endured throughout the 19th century.

Only the most strenuous exertions of those who served in the Department or in the overseas missions insured proper attention to the business at hand. The unusual abilities of the early Secretaries of State helped to counter financial stress and to reinforce the prestige of the Department. John Quincy Adams summarized this circumstance. Because of "the superior real and inherent importance of the Department of State in the organization of this Government, and . . . the successive transfer of two Secretaries of State to the Presidency [Madison and Monroe], a general impression has pervaded the Union of a higher consideration due to that Department, and that in the practice of the Government it is the natural introduction to the head of the Executive."

Despite important constraints on the Department of State, the United States achieved a remarkable number of triumphs in foreign affairs during the early years. During the 1790s the Jay treaty (1794) and the Pinckney treaty (1795) regularized relations

Consular Uniforms

The early 19th century American consul was a dashing fellow in go-trimmed uniform with cocked hat and sword. This was on ceremonial occasions when, it is just possible, he might have forgotten that he received no allowances for "house or office rent, books, stationery, or other ordinary expenses of office."

A 42-page booklet, *General Instructions to the Consuls and Commercial Agents of the United States, 1838* notes that: "The Consular uniform (as prescribed by the circular from this department, dated August 1815, hereto annexed) must be worn on all visits of ceremony to the authorities of the place, and on all proper occasions."

The uniform was described as follows:

"Single breast coat of blue cloth with standing cape or collar, and navy buttons in front; one button each side of the cape; four on each cuff; four under each pocket flap; one on each hip and in the folds; one on each side in the centre; and on each side of the same, at the lower extremity of the skirts.

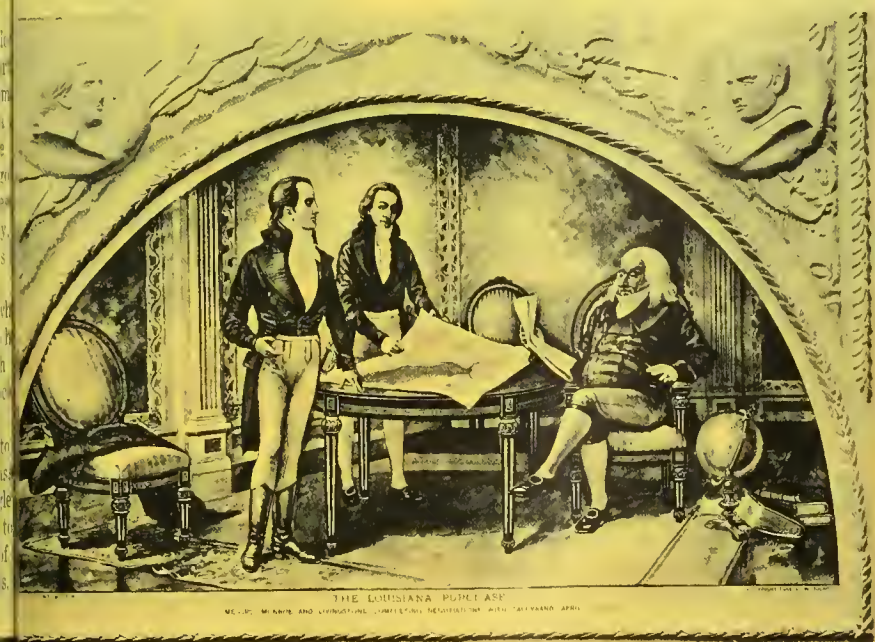
"The front, (from the cape down to the lower extremity of the skirts) cuffs, cape, and pocket flaps, to be embroidered in gold, representing a wreath composed of olive leaves, and the button-holes to be worked with gold thread; the button-holes to correspond with the width of the embroidery which is not to exceed two inches on any part.

"Vest and small clothes of white with navy buttons; the former to be buttoned ten in front, and four under each pocket flap. With this dress, a cocked hat, small sword, and shoes and buckles are to be worn. The hat to be furnished with gold loop, gold tassels, and black cockade, with gold eagle in the centre; added to which, it is to be understood that the mountings of the sword, and shoe and knee buckles, are to be gold; otherwise gilt."



Burning of Washington, 1814

The home of the Department of State after 1801 was known merely as "the public building west of the President's house" and stood on the present site of the Old Executive Office Building at 17th Street and Pennsylvania Avenue, N.W. When British forces invaded Washington on August 24, 1814, this building was burned, along with the Capitol and the White House. While the Department's library was lost, Chief Clerk John Graham had already seen to the removal of many important records, including the originals of the Declaration of Independence and the Constitution. They were stored in a deserted gristmill on the Virginia side of the Potomac River, 2 miles above Georgetown, and were later moved to Leesburg, Virginia, until after the emergency.



John Quincy Adams became the youngest American Chief of Mission when he was appointed Minister to the Netherlands in 1794, at the age of 27. As Secretary of State (1817-25), he negotiated a boundary settlement with Great Britain, acquired Florida from Spain, and helped formulate the Monroe Doctrine. (Library of Congress photo)

In 1803, James Monroe and Robert R. Livingston negotiated the purchase of the Louisiana Territory from France in 1803, they made the greatest real estate bargain of all time and set a precedent for the acquisition of land. For \$15 million, the United States gained 828,000 square miles, thus doubling its size. (Library of Congress photo)

with England and Spain. The purchase of Louisiana in 1803 during President Jefferson's first Administration guaranteed eventual control of the North American Continent between Canada and Mexico. Extreme dangers to the nation materialized during the War of 1812, but they were surmounted during the Administration of President Madison. And finally President Monroe's Administration arranged the Adams-Onís treaty with Spain (1819), which added Florida to the national domain and settled the boundary with Mexico on most advantageous terms.

However impressive, these accomplishments were not equal in importance to the formation of a general foreign policy for the United States that was to endure for over a hundred years: the idea that the United States should observe political isolation from European powers during time of peace and maintain strict neutrality during periods of warfare in Europe. Franklin anticipated this posture when he observed that "a virgin state should preserve its virgin character and not go suitoring for alliances, but wait with decent dignity for the application of others." In 1796 President Washington expressed this general outlook in classic form, arguing in his Farewell Address: "The great rule of conduct for us in regard to foreign nations is . . . to have with them as little political [as distinct from commercial] connection as possible." Europe, he continued, had its own set of interests, and these interests were very different from those of the United States. Fortunately, the state of international relations tended to confer freedom of action upon the nation. "Why forego the advantages of so peculiar a situation? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalry, interest, humor, or caprice?" Therefore, concluded Washington, "it is our true policy to steer clear of permanent alliances with any portion of the foreign world, so far, I mean,

as we are now at liberty to do it."

Thomas Jefferson, although of very different political views from Washington, confirmed the national consensus on the virtues of isolation and neutrality, restating the principle cogently in his First Inaugural Address (1801): "... peace, commerce and honest friendship with all nations, entangling alliances with none."

If it was appropriate for the United States to avoid intervention in European affairs, it seemed equally logical that Europe should desist from further interference in the affairs of the Americas. Secretary of State John Quincy Adams enunciated this prin-

ciple in 1823. He was the real author of the Monroe Doctrine, which stated simply: "We could not view any interposition for oppressing [the nations of Latin America], or controlling in any other manner their destiny, by any European power in any other light than as the manifestation of an unfriendly disposition toward the United States." Although the young country lacked the means to enforce the Monroe Doctrine, and other powers did not fully accept it for many years to come, its presentation in 1823 marked the completion of the project that had begun in 1775—the independence of the United States.



The Monroe Doctrine extended the principles of neutrality and independence from European conflicts to the entire Western Hemisphere. (Library of Congress photo)

The Expansionist Years, 1823–1867

During the 44 years between the birth of the Monroe Doctrine (1823) and the purchase of Alaska from Russia (1867), the Americans devoted their national energies to extending their dominion across North America and to building a diversified economy. They were permitted to concentrate on these endeavors because no serious external threats arose except during the Civil War (1861–65). A stable balance of power materialized in Europe after the conclusion of the Napoleonic wars, the maintenance of which deterred possible aggressors from interventions in the New World. Any nation that attempted to interfere in the affairs of the Americas would have exposed itself to considerable difficulty on the eastern side of the Atlantic. Therefore, the United States enjoyed a long period of “free security,” that is, an extended moratorium on serious external challenges like those that had menaced it before 1815.

It was now possible for the ambitious republic to practice a liberal form of nationalism, one that stressed good will toward other nations and emphasized internal development rather than active foreign policies. John Quincy Adams set the tone for nearly a century of foreign policy on July 4, 1821, when, speaking of his beloved country, he said: “Wherever the standard of freedom has been or shall be unfurled, there will her heart, her benedictions, and her prayers be. But she does not go abroad in search of monsters to destroy.” The republic would influence the world by offering an example rather than by exercising force. Americans would be “well-wishers to the freedom and independence of all”; their government would be “champion and vindicator only of her own.”

These sentiments prevailed in the United States throughout the 19th century. In 1850, for example, President Millard Fillmore restated the fundamental premise of liberal nationalism when he insisted that the United States must grant to others what it deemed imperative for itself—the right to establish “that form of government which it may deem most conducive to the happiness and prosperity of its own citizens.” This principle meant that “it becomes an imperative duty not to interfere in the government or internal policy of other nations.” Although Americans might “sympathize with the unfortunate or the oppressed everywhere in their fight for freedom, our principles forbid us from taking any part in such foreign contests.”

The shift toward domestic concerns and the practice of liberal nationalism slowed the growth of the Department of State throughout the 19th century. Secretaries of State after 1823 dedicated themselves more to preserving than expanding the influence of the Department. Presidents paid more attention to the Treasury or the War Department than to the guardians of foreign relations.

The low priority attached to foreign relations resulted in a tendency to depreciate diplomacy and its practitioners. Secretary of State Edward Livingston sorrowfully summarized this attitude as early as 1833. Americans thought of their ministers as privileged characters “selected to enjoy the pleasures of foreign travel at the expense of the people; their places as sinecures; and their residence abroad as a continued scene of luxurious enjoyment.” Congress frequently adopted parallel views. In 1844 the House Committee on Foreign Affairs proposed to assign ministers to a circuit of legations, for example, a minister resident to serve Bolivia, Chile, and Peru. In 1859 Representative Benjamin W. Stanton of Ohio said that he knew of “no area of the public

A Most Undiplomatic Diplomat



Pierre Soule of Louisiana, a naturalized citizen of French extraction, was sent to Spain as the American Minister in 1853. The principal issue in U.S.-Spanish relations at the time was the future of Cuba. Soule sympathized strongly with those who wished to annex Cuba, a course of action that would provide territory in which slavery could prosper. Before Soule went to Spain, he made a strong pro-annexationist speech in New York, a serious diplomatic indiscretion that prejudiced his mission before it had begun. To add insult to injury, upon his arrival in Spain, he made an impertinent speech to the throne. The Spanish Government requested its revision before accepting it.

Soule further compromised his mission when, to avenge an alleged

insult to his wife, he fought a duel with the French envoy in Madrid, the Marquis de Turgot. A bullet from Soule's weapon lamed the Marquis for life.

When Spanish authorities seized an American steamer, the *Black Warrior*, in Cuban waters, Soule immediately demanded that Spain pay an indemnity of \$300,000 and dismiss the responsible officials within 48 hours. The Spanish Government rebuffed these demands, choosing to deal with the ship's owners rather than the U.S. Government.

Soule's most famous diplomatic enterprise was the drafting of the Ostend Manifesto. This document stemmed from Soule's meeting with the American Ministers to Britain and France in October 1854. Soule's despatch to Secretary of State William L. Marcy recommended an attempt to purchase Cuba from Spain for up to \$120 million. What if Spain refused to sell? "Then," the message stated, "by every law, human and divine, we shall be justified in wresting it from Spain if we possess the power."

When this bellicose message was made public, it aroused great criticism in Europe and the United States. Opponents of slavery unequivocally opposed acquiring Cuba under any circumstances. Marcy then rejected Soule's message and instructed him to continue negotiations for the purchase of Cuba. Soule, correctly assuming that his usefulness in Spain was at an end, submitted his resignation, bringing to an end one of the stormiest diplomatic tours in the annals of the Department of State.

service that is more emphatically useful than the diplomatic service—none in the world."

The practice of the "spoils system"—the award of government appointments in return for political support—reinforced the proclivity to undervalue the Department of State and the foreign services. President Andrew Jackson believed that "the duties of public officers are . . . so plain and simple that men of intelligence may readily qualify themselves

for their performance. . . . More is lost by the long continuance of men in office than is generally to be gained by their experience." This view helped to perpetuate amateurism in all aspects of government. The egalitarian celebration of the common man sometimes worked against efforts to improve the quality and status of those who conducted foreign relations.

The growth of the Department and its overseas missions during the years from 1830 to 1860 roughly paralleled the increase of the general population. The Department of State, which moved to the District of Columbia in 1800, was housed from 1819 to 1866 in the Northeast Executive Building located near the White House on Pennsylvania Avenue. Only four regular clerks were added to the Department between 1818 and 1845 to cope with an expanded workload. In 1856 the Department consisted of 10 officers and 27 supporting personnel, and in 1860 the foreign services employed only 281 people. Congress did not authorize the appointment of an assistant secretary of state until 1866. A second assistant secretary was permitted in 1866. The strains of office, including domestic political criticism, imposed great burdens on most Secretaries of State. One of them, John Clayton of Delaware, who served President Zachary Taylor in 1849–50, noted the consequences. "The situation I have filled was . . . more difficult, more thorny and more liable to misrepresentation and calumny than any other in the world, as I verily believe."

The difficulties of those who conducted the nation's foreign relations led one of President Jackson's Secretaries of State, Louis McLane of Delaware, to undertake the first general reorganization of the Department since 1789. In 1833 McLane converted the Chief Clerk into an administrator with broad responsibilities for the everyday direction of the Department. He also set up a bureau system to permit orderly discharge of business. Seven such units were established, of which the two most important were the Diplomatic Bureau and the Correspondence Bureau. In the Diplomatic Bureau three clerks managed correspondence with the overseas missions. One took responsibility for England, France, Russia, and the Netherlands. Another dealt with the rest of Europe, the Mediterranean, Asia, and Africa. A third communicated with the Americas. The five other bureaus covered domestic affairs—translation; archives, laws, and commissions; pardons, remissions, copyrights, and library; disbursing; and superintending.

The number of overseas missions increased from 15 in 1830 to 33 in 1860. Most were located in Europe and Latin America, although the begin-

the U.S. Passport



Frances G. Knight was Director of the Passport Office from 1955 to 1977. (Department of State photo)

The term "passport" derives from the French words *passer*, to enter or leave, and *port*, a port. It literally means a permit to leave a country. Issuance of passports and travel documents was first mentioned as a function of the Department of Foreign Affairs in 1782. The Department of State did not have exclusive authority to issue passports until 1856. Prior to that time, governors, mayors, and even private citizens were known to issue passports. During the 19th century, the U.S. Government only required travelers to obtain passports in wartime. They would not be required of travelers until 1914.

The earliest surviving U.S. passport was issued in France by Benjamin Franklin, Arthur Lee, and John Adams to W. D. Cheever, David Sears, and their servants on December 27, 1778, for travel to Holland. During the 1790s many passports were issued collectively to merchant ships and their crews.

An interesting variation of this type was issued in 1796 to ships bound for the Mediterranean. The top portion was detachable in a scalloped pattern and was forwarded to Algiers for distribution to Algerian captains. If an American ship was stopped, its captain was supposed to produce the

lower section of the passport and match it with the upper section. The ship would then be allowed to proceed.

The passport function is the activity of the Department that the general public is most likely to encounter. There are passport agencies in Washington and 13 other major cities employing 649 persons. During fiscal year 1980, 3,045,041 passports were issued, and over 14.6 million valid passports are in circulation today.

Marine Security Guards

During the 19th century, the U.S. Navy was frequently called upon to protect American lives and property in remote parts of the world. Marine detachments usually took part in these operations and on occasion were expected to protect diplomatic missions. The first such instance took place in 1835, when four Marines from the U.S.S. *Brandywine* were assigned to protect the Consulate in Lima, Peru. The next year, one Marine was detailed to this task. Legation guard detachments were stationed at various times in Tokyo, Seoul, and Managua. A Marine detachment helped defend the Legation in Peking during the Boxer Rebellion, and a Legation Guard remained in China until World War II.

Civilian guards were unable to maintain adequate security at overseas missions, and the Department accordingly turned to the Armed Forces. The Secretary of State and the Secretary

of the Navy signed a memorandum of agreement on December 15, 1948, which established the present Marine Security Guard program. The first detachments left for Bangkok and Tangier on January 2, 1949. Today 1,112 Marines are assigned to 119 Foreign Service posts throughout the world. Their mission is the maintenance of internal security. In an emergency, their basic task is to gain time for personnel to reach safety and for the host government to fulfill its obligations to protect diplomatic missions.

Five Marine Security Guards have been killed in the line of duty. The most recent fatality was Corporal Steven Crowley, who lost his life in the attack on the U.S. Embassy in Islamabad on November 21, 1979. Nine other Marines are among the hostages in Tehran.



Townsend Harris was the first American diplomat to be stationed in Japan. As Consul General at Shimoda, he negotiated a commercial treaty opening Japanese ports to American trade. He then served as Minister Resident (1859-62). (Library of Congress photo)

of American interest in the Pacific Ocean and East Asia led to modest representation there. Ministers were sent to China in 1843 and Japan in 1859, and a resident commission was stationed in the Hawaiian Islands in 1843.

By 1860, 45 people held appointments in the Diplomatic Service, a remarkably small number for 33 missions. Their maintenance cost the United States about \$370,000, an increase from about \$200,000 in 1833. Total expenditures overseas rose from \$294,000 in 1830 to \$1.1 million in 1860. Some ministers supplemented their staffs by appointing "unpaid attaches," usually young men of private means who performed certain duties in return for admission into local society and opportunities for personal study and travel.

Similar growth occurred in the Consular Service. The number of posts increased from 141 in 1830 to 282 in 1860, reflecting the considerable expansion of foreign trade from 1840 to 1860. Consular functions enlarged, but hardships bedeviled life in the service. The American consul at Genoa during the 1840s, C. Edwards Lester, summarized the situation: "An American consul is often a foreigner, almost

The Hülsemann-Webster Exchange

In 1850 the Austrian charge in Washington, the Chevalier Hülsemann, strenuously objected to supposed American interference in the domestic affairs of Hungary, communicated an insulting message to the Department of State. His Government, he stated, had "deemed it proper to preserve a conciliatory deportment making allowance for the ignorance of the Cabinet of Washington on the subject of Hungarian affairs and its disposition to give credence to the mendacious rumors which are propagated by the American press."

To this statement Secretary of State Daniel Webster replied in kind: "Nothing will deter either the Government or the people of the United States from . . . forming and expressing their own opinions freely and at all times upon the great political events which may transpire among the civilized nations of the earth. Their own institutions stand upon the broadest principles of civil liberty and believing those principles . . . to be . . . in fact the only principles of government which meet the demand of the present enlightened age—the President has perceived with great satisfaction that in the constitution recently introduced into the Austrian Empire many of these great principles are recognized and applied."

always a merchant, can't live on his fees, nor even pay the necessary expenses of his office; [he] is scolded by everybody that has anything to do with him, and is expected to entertain his countrymen, not only with hospitality but with a considerable degree of luxury."

However trying, Genoa was still a more desirable post than the Brazilian port of Pernambuco, now called Recife. In 1858 Consul Walter Staquet reported from Pernambuco that on his predecessors had resigned before taking up his office because he had



Caleb Cushing, American commissioner to China, negotiated the Treaty of Wang-hsia in 1858, gaining most-favored-nation commercial privileges and extraterritoriality for Americans in China. (Library of Congress photo)

received "such mournful accounts of the place as to disgust him in advance of his arrival." Moreover, he continued, "our others have left their bones to rot in these fearfully hot sands, without a slab of stone or a stick of wood to point the stranger to their graves."

Beset by difficult climates and low salaries, consuls rarely received much assistance from their government. In 1853 Secretary Edward Livingston noted that officials in the domestic service of the nation were "surrounded by the means of obtaining information and advice" but that "abroad, an officer is entrusted with the most important function, out of the reach of control or advice, and is left with, comparatively speaking, no written resources for his guidance." A few consuls apparently succumbed to temptation. An auditor reported in 1861 that the consul in Liverpool had not reported expenditures of public money for 3 years, "contracting public and private debts, which . . . probably exceed \$20,000. It is perhaps some consolation to know that this plunderer no longer disgraces the Government abroad."

Congress delayed action to improve the situation of American representatives abroad until 1856, when it enacted a reform of the Diplomatic and Consular Services. The law con-

A 19th Century View

"Consul, n. In American politics, a person who having failed to secure an office from the people is given one by the Administration on condition that he leave the country."

Ambrose Bierce
The Devil's Dictionary

centrated on the most publicized problem—inadequate compensation. It prescribed salaries for ministers that ranged from \$17,500 per year for London and Paris to \$10,000 per year for most other places. (The ceiling of \$17,500 for heads of mission endured 90 years, until 1946.) In addition, consuls were given regular salaries. Fees collected at consulates were henceforth to be sent to the Treasury. Written regulations were developed to improve the performance of the foreign services.

The act of 1856 represented a step forward, but it fell short of providing for truly professional foreign services. Most ministers and consuls gained appointment because of personal wealth, political services, or social position. Many lacked qualifications—even the most elementary knowledge of diplomatic etiquette. For example, John Randolph of Virginia, when presenting his credentials at St. Petersburg, said to the Czar, "Howya, Emperor? And how's the madam?" One of the few talented diplomats of the era who made a career in the foreign service, Henry Wheaton, argued in vain for a professional service that recognized merit and granted tenure to the deserving. Those with necessary qualifications—linguistic skill, awareness of diplomatic forms, and appropriate experience—should, he thought, "be employed where they can do most service, while incapable men should be turned out without fear or partiality. Those who have served the country faithfully and well ought to be encouraged and transferred from one court to another, which is the only advancement that our system permits of." Wheaton joined others in complaints about inadequate compensation.

Despite the U.S. failure to create professional foreign services, many were the accomplishments of the expanding nation in foreign affairs, and the Department of State made significant contributions in almost every instance. One striking achievement of the period was the successful resolution of many disagreements with the one nation—Great Britain—that might have threatened the security of the United States. Peaceful settlements regularly resolved Anglo-American controversies over boundaries, fisheries, and trade, notably through the so-called friendly conventions of 1817–18, the Webster-Ashburton treaty of 1842, the Oregon treaty of 1846, and the Clayton-Bulwer treaty of 1850. Of comparable importance were successful negotiations that furthered the march of the United States across the continent, especially the treaty of Guadalupe Hidalgo that ended the Mexican war with the annexation of New Mexico and California in 1848 and the purchase of Alaska from Russia in 1867. In all these situations, the United States took advantage of favorable bargaining positions. Despite the handicap of amateur diplomacy, no



Nicholas Trist, Chief Clerk of the Department of State, followed General Winfield Scott's army to Mexico City. Ignoring an order recalling him to the United States, Trist negotiated the treaty of Guadalupe-Hidalgo with Mexico in 1848, extending American territory to the southwest from the Nueces River to the Pacific Ocean.

(Library of Congress photo)

Seward's Abortive Initiative

At the beginning of President Lincoln's Administration in April 1861, the new Secretary of State, William H. Seward of New York, proposed to end domestic political strife over the all-consuming question of slavery by pursuing an active foreign policy, one that might lead to declarations of war against France or Spain, thus uniting domestic factions against a foreign threat. Seward even volunteered himself as the principal prosecutor of such a policy. The President tactfully rebuffed this extraordinary proposal. Thereafter, Seward, whom Henry Adams described as having "a head like a wise macaw; a beaked nose; shaggy eyebrows; unordered hair and clothes; hoarse voice; off-hand manner-free talk; and perpetual cigar," subordinated himself to the President and served him loyally and effectively.

serious setbacks marred the nation's foreign affairs between 1823 and 1867.

The most dangerous challenge to the nation's security during the 19th century occurred during the Civil War. That tragic struggle between the Union and the Confederacy created excellent opportunities for European nations to meddle in the Western Hemisphere either by violating the Monroe Doctrine or by extending aid to the rebellious South. In this instance the remarkably effective collaboration between President Abraham Lincoln and his Secretary of State, William H. Seward of New York, proved equal to the situation. The Secretary's success in fending off serious trouble during the Civil War proved that great achievements in foreign relations almost always depended on close relations between the President and the Department of State. The American Minister in London, Charles Francis Adams, third in a line of distinguished statesmen from Massachusetts, established himself among the most successful diplomats of his time, preserving the neutrality of Great Britain until the Union Army finally prevailed over its opponents. If the Confederacy had received significant assistance from European nations, especially Great Britain, the war might have had a much different outcome.

The triumph of the Union in prepared the way for still another of remarkable national progress, finally ending the dispute over the relative merits of national supremacy and states' rights. The nation emerged from the Civil War more powerful and secure than at any time in its history. It would continue to enjoy virtual immunity from international danger—"free security"—for another 50 years.

The Rise to World Power, 1867–1913



The purchase of Alaska from Russia on March 30, 1867, gave the United States its first noncontiguous territory. (Library of Congress photo)

The 30 years after the Civil War are justly considered the least active in the history of American foreign relations. Free security, that fortunate byproduct of the generally stable international balance of power, lingered on, permitting Americans to devote themselves to their prime preoccupation—internal development. During these years, the westward movement was completed, and the nation experienced extensive industrialization and urbanization.

The absence of foreign threats to national security and the continuing national stress on domestic concerns during the latter years of the 19th century explain why the conduct of foreign relations did not deviate much from earlier practice. As late as 1894, an observer noted that the public was "less familiar with the duties of our diplomatic and consular agents than any other branch of the public service," a logical outcome because members of the foreign services lived abroad and could not be observed at work. As before the Civil War, xeno-

phobic Americans regularly condemned their representatives abroad as subversive. In 1885, for example, Senator William E. Robinson of New York insisted that "this diplomatic service is working our ruin by creating a desire for foreign customs and foreign follies. The disease is imported by our returning diplomats and by the foreign ambassadors sent here by monarchs and despots to corrupt and destroy our American ideals." The Senator's solution was to quarantine entering diplomats "as we quarantine foreign rags through fear of cholera."

Another familiar pattern endured beyond the Civil War—meddlesome political interference with the Department of State. In 1869, for example, President Ulysses S. Grant made Elihu B. Washburne, a friend from Galena, Illinois, the Secretary of State for a mere 12 days so that he could enjoy the prestige of having held that position when he took up his respon-

sibilities as Minister to France. Fortunately Washburne's successor, Hamilton Fish of New York, established close relations with President Grant and managed to minimize unwise appointments and policies.

Like previous Secretaries, Fish recognized that he could not administer the Department efficiently without the President's strong support. When General Orville Babcock, another one of Grant's friends, attempted to interfere in the affairs of the Department, Fish bluntly informed the President that he could not tolerate such activities. If the President showed lack of confidence in him, he wrote, "or when the influence of the head of the Department in the administration of its affairs, or the formation of its policy, is overshadowed by others, a sensible or sensitive man will appreciate that the time for his retirement has arrived."

Political appointments remained the order of the day despite growing public concern, manifested in support for creation of the Civil Service (1883), which did not cover the foreign services. In 1885, when the Democratic Party gained control of the executive branch for the first time in 24 years, Congressman Jonathan Chace of Rhode Island contrasted American and British practice on such occasions. "Whenever a change of administration occurs in Great Britain . . . members of the diplomatic service know that no change will take place in regard to their positions, but all over the world today every man in the diplomatic and consular service of the United States is packing his trunk and engaging his passage preparatory to returning home."

Nevertheless, certain members of the foreign services developed special competence and pursued careers in diplomatic and consular assignments. Prominent among them was Eugene Schuyler, who first served as consul at Moscow in 1867 and later held other posts in Europe before ending his service as the American representative in Cairo in 1889. Another was William Lindsay Scruggs, who began his career as Minister to Colombia in 1873 and moved on to several other positions, including service as Minister to Venezuela during the Administration of



Alvey A. Ade

Alvey A. Ade began his diplomatic career as a private secretary at the Legation in Spain in 1869. He became a clerk in the Department in 1876 and Chief of the Diplomatic Bureau 2 years later. Appointed Third Assistant Secretary of State in 1882 and Second Assistant Secretary in 1884, he became First Assistant Secretary of State just before his death in 1900.

Ade approved or drafted almost all outgoing correspondence and was a stickler for correct style and usage. In times of crisis he would install a cot in his office. Deaf, reclusive, and unmarried, he dedicated his life to the operation of the Department, advising Presidents and Secretaries of both parties and briefing diplomatic and consular officers. A longtime resident of Washington is said to have remarked as Ade bicycled past him: "There goes our State Department now."

President Benjamin Harrison (1889-93). Two men who developed impressive reputations as regional specialists, Henry White (Europe) and William W. Rockhill (East Asia), extended their activity well into the 20th century.

Abuses in the Consular Service persisted into the late 19th century despite strenuous efforts to correct them. In 1872 a representative of the Treasury, DeB. Randolph Keim, reported the results of an extensive investigation of the Consular Service. He uncovered many irregularities, among them collection of illegal fees, improper exercise of judicial powers, fraudulent accounting, faulty administration of estates left by Americans who died abroad, issuance of illegal passports, and sale of the American flag. Keim thought that the most important feature of his investigation was the "ingenuity displayed by consular officers, since the Act of 1856 particularly, in defrauding the Government and grasping gains from various outside sources besides."

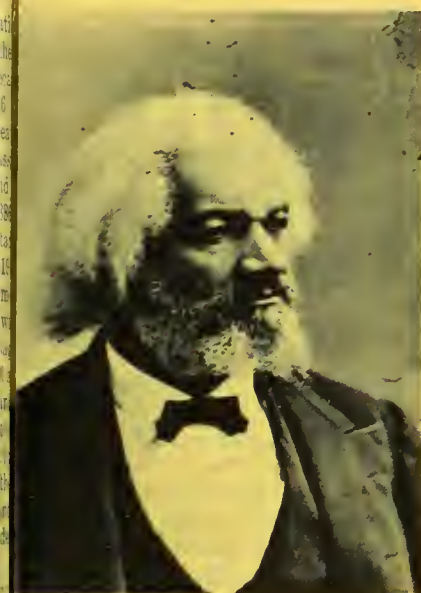
Few changes in basic foreign policies can be detected during the generation after the Civil War; the



Elihu B. Washburne had the shortest term of office of any Secretary of State—March 5-16, 1869. As Minister to France (1869-77), he witnessed the Franco-Prussian War, the Paris Commune, and the fall of the empire and the birth of a republic.

(Department of State photo)

Frederick Douglass



Frederick Douglass was born into slavery in Maryland. After escaping bondage, he became a leading abolitionist. Following the Civil War he received two diplomatic assignments. In 1871 he served as secretary of a mission sent to Santo Domingo to explore the possibility of annexing the island. More important, in 1889 he became Minister to Haiti and chargé d'affaires to Santo Domingo. In his capacity he became involved in an unsuccessful attempt to acquire Môle St. Nicolas in Haiti as a trading station. In 1891 Douglass resigned his office after critics alleged that he showed undue regard for the Haitian point of view.



Ebenezer Don Carlos Bassett, America's first black diplomat, was Minister Resident and Consul General in Haiti from 1869 to 1871. (Department of State photo)

"The Yankee King of Spain"



The appointment of Daniel E. Sickles as Minister to Spain in 1869 was the culmination of a flamboyant public career. As Secretary of the Legation in London (1853-55), Sickles had helped to arrange the conference of ministers that produced the Ostend Manifesto. He also had his mistress presented to Queen Victoria. As a Democratic Congressman from New York, Sickles gained notoriety for shooting his wife's lover in Lafayette Square, being acquitted of murder, and then forgiving his wife.

At the outbreak of the Civil War, Sickles raised a brigade of volunteers in New York City and maintained them at his own expense until they were taken into the Army. He led the "Excelsior Brigade" into battle and rose to the rank of Major General and to the command of the Third Corps of the Army of the Potomac. At Gettysburg, he moved his corps to an exposed position and lost most of his troops and his right leg. (The bones of his leg are on display in the Army Medical Museum.) In the spring of 1865, Sickles conducted a diplomatic mission to Colombia to arrange the passage of American troops through Panama.

Sickles was appointed Minister to Spain as a reward for his early support of Grant's campaign for the Presidency. He was instructed to offer help to Cuba in purchasing independence from Spain, opening the way to eventual annexation. Spanish opinion was outraged, and General Prim, the Spanish Prime Minister, was assassinated before he could reconsider. After King Amadeo I declined the offer of purchase, Sickles plotted with Spanish republicans in the vain hope that they would be more willing to sell after they came to power.

Sickles lived lavishly in Madrid, renting a box at the opera and having his secretary, Alvey A. Adey, order fine wines and luxury goods for him from London and Paris. Sickles frequently traveled to Paris, where he had an affair with Isabella II, formerly the Queen of Spain. Isabella herself was notorious for her affairs, and there had been much speculation about the paternity of her children. Parisian society promptly dubbed Sickles "the Yankee king of Spain." Sickles also married Caroline de Creagh, lady-in-waiting to the former Queen.

On October 21, 1873, the Spanish warships captured the steamer *Virginus*, as it carried arms to insurgents in Cuba. After Spanish authorities executed the captain and most of the crew, many of whom were American citizens, the United States demanded the release of the ship and the remaining prisoners. Sickles was instructed to close the Legation and return home if the Spanish Government did not accept these demands within 12 days. Sickles, however, was ready to close the Legation after 5 days. The crisis was averted when the Spanish Government offered to negotiate in Washington rather than Madrid, and Sickles then resigned.

Sickles left for Paris on March 27, 1874, and lived there for 5 years. After his return to the United States, he devoted the rest of his life to the preservation of the Gettysburg battlefield and to defending his conduct during the battle.



James Russell Lowell, Minister to Spain (1877–80) and to Great Britain (1880–85), was one of many distinguished American authors who held diplomatic or consular posts.

(Library of Congress photo)



George H. Butler, nephew of a prominent Massachusetts Congressman, was appointed Consul General in Alexandria, Egypt, in 1870. He dismissed all consular agents, auctioned off their commissions, and purchased dancing girls. Shortly before his recall in 1872, he was involved in a brawl with three former Confederate officers.

(Library of Congress photo)

overarching principles of isolation and neutrality remained firmly entrenched. In 1894 Secretary of State Walter Q. Gresham of Illinois reaffirmed Washington's "great rule of conduct" in commenting on what he deemed a questionable departure from the policy of "no entangling alliances"—an agreement with Germany and Great Britain to share control of the Samoan Islands. "Every nation, and especially every strong nation, must sometimes be conscious of an impulse to rush into difficulties that do not concern it, except in a highly imaginary way," he noted. To contain this tendency Gresham offered a traditional remedy: "To restrain the indulgence of such a propensity is not only the part of wisdom, but a duty we owe to the world as an example of the strength, the moderation, and the beneficence of popular government."

Perhaps the most notable development in foreign policy was the elevation of the Monroe Doctrine into an unquestioned article of faith as the nation gave increasing attention to Latin America. Secretary of State James G. Blaine of Maine responded to this development; he inaugurated the modern Pan American movement in 1889, although it did not prosper until the early years of the 20th century.

The limited importance assigned to foreign relations after the Civil War was reflected in the modest growth of the Department of State and the foreign services. In 1880 the Department had only 80 employees compared with 42 in 1860, and the total declined to 76 in 1890. The number of diplomatic missions increased only 41 in 1890, up from 33 in 1860 while the number of consular posts grew during the same period from 282 to 323. Diplomats numbered 45 in 1860 and 63 in 1890. The Consular Service expanded much more, employing 1,042 people in 1890 compared with 236 in 1860.

Expenditures on domestic and foreign operations rose from \$1.3 million in 1860 to only \$1.8 million in 1890. These were limited increments, and when compared with the increase of the general population, which approximately doubled between 1860 and 1890.

In 1870 the Department underwent a significant reorganization as part of the initiative of Secretary Fish. The principal change was a further elaboration of the bureau system that Secretary McLane had inaugurated in 1833. To cope with the growth in overseas missions and consulates, Fish established two diplomatic bureaus and two consular bureaus with geographic responsibilities. The First Diplomatic Bureau and the First Consular Bureau dealt with Europe, China, and Japan. The second pair of bureaus managed communications with the rest of the world—Latin America, the Mediterranean region, Russia, Hawaii, and Liberia. Five other bureaus were created—the Chief Clerk's Bureau, the Law Bureau, the Bureau of Accounts, the Statistical Bureau, and the Passport Bureau. The reorganization of 1870 endured for years, undergoing only minor adjustments during that period.

In 1888 the Department of State moved into an imposing new home—the State, War, and Navy Building located at 17th Street and Pennsylvania Avenue, N.W., and in 1893 the United States finally upgraded envoys accredited to the most important foreign powers to the rank of ambassadors. Previously all missions had been legations headed by ministers. Embassies were established in Great Britain,

ate, War, and Navy Building



In 1869 Congress recognized that the building housing the Department of State (the Washington City Orphan Asylum) was inadequate because of high rent, shortage of space, and severe fire hazard. Consequently a commission was appointed to recommend a site and submit plans for a new executive office building to house the Department of State. By February 10, it was agreed to construct a building on a site west of the White House, a site which was then partially occupied by the buildings of the War and Navy Departments.

The construction was to be done in stages beginning with the south wing in order to avoid interfering with the business of the War and Navy Departments. This would allow these two departments to remain in their buildings until later when those buildings would have to be razed to make way for the other wings. Just before the south wing was completed in June 1875, the Department of State began moving in. The War and Navy Departments moved into the east wing immediately after it was ready for occupancy in April 1879. The north wing was completed in late 1882 and the War Department moved into it in February 1883. The west and center wings were occupied in early 1888.

Upon completion it was reputed to be the largest and finest office building in the world. Exclusive of basement and sub-basement, it has a total floor

area of about 10 acres and contains nearly 1-3/4 miles of corridors 12 feet wide. These are paved with black slate and white marble. The eight spiral stairways with steps of gray granite are unsupported by either beams or arches. There is very little woodwork in the entire building, the most noteworthy being the doors.

The south wing had been planned and built for the exclusive use of the Department of State. The Secretary had his office on the second floor at the southwest corner and the diplomatic reception room—the scene of the signing of many historic documents—adjoined the Secretary's office.

Because of the pressure of space, the Department of State was forced to move some of its office out of this building and into rented quarters in other parts of the city. In 1918 the Navy Department moved to new quarters and all State Department offices were reunited in this building where they remained until 1936. In 1930, following the departure of most of the War Department, the name of the building was changed to the Department of State Building. Again, however, the structure grew overcrowded and another exodus to outlying buildings became necessary. In 1947 the Department of State moved to a new location at 320 21st Street, Northwest. The old State, War, and Navy Building now houses the executive offices of the President.

France, Germany, and Italy after those nations conferred ambassadorial rank on their representatives in Washington.

These changes did not mean that the Department and the foreign services had altered their traditional practices. One historian described the Department of 1898 as "an antiquated feeble organization, enslaved by precedents and routine inherited from another century, remote from the public gaze and indifferent to it. The typewriter was viewed as a necessary evil and the telephone was an instrument of last resort." Most of the old problems endured into the 20th century. The Department and the foreign services were shorthanded; employees at home and abroad were seriously underpaid. Appointments were still subject to the spoils system, Congress having failed to legislate a system of selection and promotion by merit and job protection through the award of tenure to the deserving.

Suddenly, the general circumstances that had influenced the Department of State since 1815 were vastly altered as the result of a short but important war. In 1898 the United States became involved in a struggle with Spain that stemmed from popular support for the independence of Cuba. The decision to free Cuba was a startling departure from the practice of traditional liberal nationalism, but as a surprise it did not compare with the results of the war. The Treaty of Paris (1898) provided for Cuban independence and also for the cession of important Spanish possessions to the United States—notably the island of Puerto Rico in the Caribbean Sea, the entire Philippine archipelago in the western Pacific Ocean, and the small island of Guam in the central Pacific Ocean.

This assumption of colonial responsibilities overseas in two widely separated regions, a stunning aberration from liberal nationalism, reflected not only the temporary enthusiasms of 1898 but a basic change in the international posture of the United States. The old foreign policies reflected the circumstances of the earlier 19th century, but by the 1890s the situation had changed greatly. The nation had acquired almost all the attributes of a great power; it stood ahead or nearly ahead of almost all other countries in the critical measures of power, such as population, geographic size and location, economic resources, and military potential.

This striking rise in international status portended comparable shifts in foreign policy. President William McKinley drew attention to the new situation in the instructions he gave to the delegation of American statesmen who negotiated the Treaty of Paris with Spain. "We cannot be unmindful that without any desire or design on our part the war has brought us new duties and responsibilities which we must meet and discharge as becomes a great nation on whose growth and career from the beginning the Ruler of Nations has plainly written the high command and pledge of civilization." Another contemporary observer, George L. Rives, extended this interpretation. "Whether we like it or not," he wrote, "it is plain that the country is now entering into a period in its history in which it will necessarily be brought into far closer and more complex relations with all the other great Powers of the world," an outcome that would outmode estab-

lished foreign policy. "We shall now and henceforth be looked upon as having cast aside our traditional attitude of isolation."

During the 16 years between the brief war with Spain in 1898 and the outbreak of the First World War in 1914, the United States greatly enlarged its role in world politics. The nation measurably altered its posture toward the areas that it had penetrated in 1898—the Caribbean-Latin American and Pacific-East Asian regions—and thereby added significantly to the burdens of the Department of State.

Latin American policy involved an imposing revision of the Monroe Doctrine. Throughout the 19th century the Monroe Doctrine was aimed primarily at European powers, which were warned to avoid further colonization in the New World. It did not imply the right to intervene in the affairs of Latin American nations. President Theodore Roosevelt, reacting to con-

cern that certain European nations might be able to penetrate Latin America by the device of collecting debts that certain nations had repudiated, asserted a policy in 1904 that became known as the Roosevelt Corollary to the Monroe Doctrine. No Latin American nation that adhered to acceptable international standards of behavior, he said, need fear intervention by the United States. But what about less scrupulous countries? "Chronic wrongdoing, or an impotence which results in a general loosening of the ties of civilized society, may in America, as elsewhere, require intervention by some civilized nation." Moreover, he continued, "in the western hemisphere the adherence of the United States to the Monroe Doctrine may force the United States, however reluctantly, in flagrant cases of such wrongdoing or impotence, to the exercise of an international police power." This pronouncement led to a series of interventions in the Caribbean-Lat-

Olney's Fiat

In 1895 Secretary of State Richard Olney addressed a diplomatic despatch to London for communication to the British Government concerning a boundary dispute between Great Britain and Venezuela. This message gave early indication, even before the war with Spain in 1898, that the United States was moving toward a new assertiveness in international politics on the basis of its rise to great-power status. Olney's note offered a stirring defense of the Monroe Doctrine. "Today the United States is practically sovereign on this continent, and its fiat is law upon the subjects to which it confines its interposition. Why? It is not because of the pure friendship or good will felt for it. It is not simply by reason of its high character as a civilized state, nor because wisdom and justice and equity are the invariable characteristics of the dealings of the United States. It is because, in addition to all other grounds, its infinite resources combined with its isolated position render it master of the situation and practically invulnerable as against any or all other powers."



Spanish and American delegates sign the Treaty of Paris on December 10, 1898. The Spanish Empire in the New World came to an end, and the United States acquired an overseas empire and took its place among the great powers. (Library of Congress photo)

merican region that greatly enlarged U.S. presence there and added to workload of the Department of State.

Meanwhile, the acquisition of the Philippines triggered the development of a new American policy for East Asia. As the United States gained a foothold in the region, European incursions in China threatened to cut off access to that vast country, just when Americans hoped to create a market for trade in Chinese markets. Accordingly, Secretary of State John Hay of Ohio proposed in 1899 that nations interested in China should enjoy perfect equality of treatment in navigation," that is, maintain the principle of free trade—the "open door." In 1900 Hay extended the open-door policy to include respect for the territorial and administrative integrity of China. This commitment to the open-door policy led the United States to become more deeply involved in the activities of East Asia, another source of additional responsibilities for the Department of State.

These extraordinary additions to the international political commitments of the United States inevitably triggered many internal changes in the Department of State and its overseas establishments. The foreign policy community grew at a rapid rate. The Department was thoroughly reorganized to meet its new responsibilities, and important steps were taken toward the development of professional, democratic foreign services.

The Department of State expanded considerably during the years between the war with Spain and the First World War. When Hay became Secretary of State in 1898 the Department met a domestic payroll of 82 people; by 1905, when Elihu Root of New York succeeded Hay, the number had risen only to 119, but at the end of 1910, during the Secretaryship of Philander C. Knox of Pennsylvania, the payroll had advanced to 234. The diplomatic Service grew modestly from 93 people in 1900 to 121 in 1910.

Expansion required a considerable increase in the annual budget. The expenditures of the Department at home and overseas increased from \$4 million in 1900 to \$4.9 million in 1910. The Consular Service experienced a particularly significant addition to its workload. The annual total of fees collected rose from \$533,000 in

1898 to 1.6 million in 1916. This three-fold jump reflected an expansion in the nation's foreign trade from \$1.8 billion to \$3 billion during the same period.

The growing responsibilities of the Department of State forced a thorough reorganization in 1909. The reformer, Assistant Secretary of State Francis M. Huntington Wilson, succeeded in enlarging the number of leadership positions so that thereafter the Department had three Assistant Secretaries of State, a Counselor to undertake special assignments, and a Director to administer the Consular Service. Lines of authority were clarified, permitting senior managers to make better use of personnel. Most important, however, was the creation of bureaus to deal with four distinct geographic regions—Western Europe, the Near East, the Far East, and Latin America—a move that fostered improved communication between the Department and the overseas missions. Several other bureaus and divisions were created to deal with various new responsibilities, notably a Bureau of Trade Relations and a Division of Information. A number of talented foreign service officers were brought to Washington to staff the new geographic bureaus, adding a much-needed leaven of experience.

Although the expansion and reorganization of the Department constituted striking departures, the most distinctive feature of the early 20th century was a strong movement toward fully professionalized and democratic foreign services. The transformation in American foreign relations that began at the end of the 19th century forced the nation to recognize that it paid dearly for amateurism in the conduct of foreign policy. One critic summed up the need for expertise in an article published in 1897: "As we would not put a ship into the hands of a commander ignorant of navigation, an army under the control of a general without military training, a suit at law into the hands of a counsel who never opened a law book . . . so we should not put the foreign affairs of our government into the hands of men without knowledge of the various subjects which go to make up the diplomatic science." Given the changed circumstances, President Theodore Roosevelt emphasized the necessity to upgrade performance: "The trouble with our ambassadors in stations of real importance," he told a

"Father of the Foreign Service"



Wilbur J. Carr (1870–1942) was born in Ohio and entered the Department of State as a clerk in 1892. He became Chief of the Consular Bureau in 1902, Chief Clerk in 1907, and served as Director of the Consular Service from 1909 to 1924. A believer in scientific management and administrative efficiency, Carr took pride in having brought Consular Service operations "as near to perfection as possible." He strove to extend professionalism and merit to all aspects of the Department, working for passage of the 1906 Consular Reorganization Act and helping to draft the Rogers Act.

Carr served as Assistant Secretary of State from 1924 to 1937. His duties included those of Chairman of the Board of Foreign Service Personnel and Budget Officer of the Department, a combination which allowed him to administer the transition from separate Diplomatic and Consular Services to a unified professional Foreign Service. His last assignment was Ambassador to Czechoslovakia from 1937 until the German occupation in 1939. "The Father of the Foreign Service" then retired from the Department, having served for 45 years under 17 Secretaries of State.



President Grover Cleveland signed an Executive order on September 20, 1895, that instituted examinations for consular appointees, a significant step toward professionalization of the Consular Service.

(Department of State photo)



Joining the Diplomatic Service in 1906, Joseph C. Grew served as Minister to Denmark (1920), Switzerland (1921–24), and as Ambassador to Turkey (1927–32) and to Japan (1932–41). He concluded his career as Under Secretary of State (1914–45).

(Department of State photo)

friend, “is that they totally fail to give us real help and real information, and seem to think that the life work of an ambassador is a kind of glorified pink tea party.”

Various means of insuring professional and democratic foreign services were available to the Department. Among them were abandonment of the spoils system in favor of guaranteed tenure, adoption of the merit system as the basis for award of pay increases and promotions, selection of foreign service officers by competitive examination, and adequate pay and allowances. All of these practices had been widely publicized earlier as part of the campaign that culminated in the passage of the Civil Service Act in 1883, applicable only to domestic servants of the government. They were equally appropriate for the Diplomatic and Consular Services, and all of them received attention during the first years of the 20th century.

President Grover Cleveland anticipated the reform movement in 1895, when he issued an Executive order that made entrance into the Consular Service contingent upon competitive examination, but the most important steps occurred during the Administrations of Presidents Theodore Roosevelt and William Howard Taft.

In November 1905, President Roosevelt established the merit system for all diplomatic and consular positions, except those of minister and ambassador, along with competitive entrance examinations. In 1906 Secretary Root shepherded a law through Congress that created a grade classification system for consular positions and also to conduct annual inspections of consular establishments. However, this statute did not mention President Roosevelt’s examination system or merit promotion; President Roosevelt remedied these omissions by means of another Executive order issued in June 1906. A few years later, in 1909, President Taft set up a board of examiners to administer both oral and written examinations to prospective diplomats.

In 1915 Congress passed the Stone-Flood Act, which permitted appointment of certain diplomatic and consular officers to functional positions, rather than to specific posts in the field. This step permitted reassignment by administrative transfer rather than Presidential appointment.

This sequence of events vastly encouraged the proponents of technical competence in the Diplomatic and Consular Services, although more remained to be done. The movement owed something to the earlier agitation for the creation of a civil service but even more to the spirit of progressivism that swept the nation during the first two decades of the 20th century. The Progressives emphasized administrative measures designed to enhance efficiency and minimize the baneful influence of excessive partisanship, especially in the form of political appointments. They oppose undue favoritism to the wealthy and privileged. President Roosevelt told his friend in 1908: “I am anxious to have it understood that it is not necessary to be a multimillionaire in order to reach the highest positions in the American diplomatic services.”

This concern stimulated passage of the Lowden Act (1911); it was the first legislation to provide for the purchase of buildings to house overseas establishments. The author of this measure, Representative Frank O. Lowden of Illinois, hoped to open the way to the most important diplomatic positions for deserving members of foreign services regardless of their economic circumstances. “It ought to be possible,” he said, “for the lowest man in the foreign service to feel that it is within his power, if his service justifies it, to reach the highest post. This sentiment faithfully reflected the Progressive conviction that competence should be the only basis for advancement in the public service.

The new assertiveness of the United States in world politics not only reflected the nation’s rise to world power; it also stemmed from basic changes in the pattern of international relations. The stable international balance of power that had endured since the downfall of Napoleon in 1815—the source of so much national advantage in the form of security during the 19th century—showed definite signs of collapse during the first years of the 20th century. Its final dissolution in 1914 precipitated the first European general war in a hundred years. Notable expansion and improvement in the Department of State after 1898 helped to prepare it for the unprecedented challenges that it encountered during the First World War of 1914–18 and after.

The Test of Total War, 1913–1947

The First World War marked one of the great turning points in modern history. It signaled an end to the century of general international stability and extensive economic, social, and political progress that had underwritten the security of the United States during its rise from a small and struggling country to an honored place among the great powers. The conflict of 1914–18 inaugurated an age of international disequilibrium that endured to the latter decades of the 20th century, generating political turbulence and organized violence on an hitherto unimaginable scale.

The First World War vastly affected the position of the United States in the international community because it destroyed the general stability that had nurtured Washington's "great rule of conduct" during more than 100 years of extraordinary national accomplishment. It drew the nation into any number of international entanglements that would have seemed inconceivable a few scant years earlier. Political isolation, however appropriate during the 19th century, no longer served the national interest.

When general warfare began in 1914 between the Allied Powers (Great Britain, France, Russia, Japan, and later Italy) and the Central Powers (Germany, Austria-Hungary, and Turkey), the United States announced strict neutrality in keeping with tradition, but this course ultimately proved untenable. During the period of neutrality (1914–17) two prewar trends came rapidly to a tragic conclusion. As the Americans experimented with their newfound power in world affairs after the war with Spain, they decided that their national interests and aspirations had become complementary with those of the ancient enemy, Great Britain, and competitive with those of Germany, another rising power. Developments after 1914, which led to an ungovernable conflict with Germany over the legality of unrestricted submarine warfare against neutral shipping, simply accelerated a political process that had begun some years earlier.

Nevertheless America's entrance into the First World War in April 1917 as an associate of the Allies reflected the vision of President Woodrow Wilson more than the outcome of the controversy over submarine warfare. By 1917 the conflict had been transformed into a quasi-global conflict that verged on total war. Wilson came to believe that only the United States could shape an effective peace settlement, given the political and moral debility of the contending belligerent coalitions. The fundamental reason he decided on the intervention of 1917 was to insure that the United States would play a decisive part in the outcome of the war. Only by this course could he hope to dominate the postwar peace conference.

The President's plan for the future, outlined in the 14 points of January 1918 and augmented by later pronouncements prior to the end of the war in November 1918, envisioned restoration of a stable, equitable, and enduring international balance through the workings of a beneficent arrangement to provide collective security—the League of Nations—based on a consensus of the great powers. Wilson's attempt to banish warfare forever culminated the conversion of the United States from isolation to engagement in a mere generation.

The many changes that accompanied World War I posed great challenges for the Department of State. As the executive agency charged with principal responsibility for the conduct of foreign relations, it was forced to assume duties undreamed of in earlier years. Even before the United States entered the war, the Department's workload spurted dramatically. Both the Diplomatic and Consular Services expanded their reporting functions to provide desperately needed information. They also augmented their support activity abroad. American citizens made demands for help, and

"None Is Swifter Than These"

The earliest American diplomatic courier was Peter Parker, master of the brig *Dispatch*, who was commissioned by the Continental Congress on July 10, 1776, to deliver messages to J.H. and Samuel Delap in Bordeaux. The letters, relating to obtaining military supplies from France, were weighted so that they could be thrown overboard in the event of capture.

The Department did not begin to hire couriers on a regular basis until World War I. Outgoing despatches would be entrusted to shipmasters, junior naval officers, or private citizens as necessary. "Bearers of despatches" were entitled to \$6 per diem plus a travel allowance, payable by the Department upon completion of their mission. They also carried a special passport to certify their official character. One of the first such special couriers was a Post Office employee

named Nat Crane, who left Savannah for London on May 24, 1819.

The Embassies in London and Paris became the first American diplomatic posts to hire full-time couriers in December 1914. At the end of the First World War, the American Commission to Negotiate Peace asked Major Amos J. Peaslee, who had organized a courier system for the Army, to perform a similar service for the Department. The Diplomatic Courier Service began operations in Paris on December 2, 1918, using military personnel. It was disbanded the next year when the Peace Commission concluded its activities, but 11 Marines and one civilian were then designated as couriers.

The Courier Service was disbanded again on July 30, 1933, as an economy measure. President Franklin D. Roosevelt ordered its reestablish-

ment in 1934, while attending the London economic conference. The system was still based in Paris and had three regular couriers. By 1941 established service had been instituted to China, Japan, and the Americas. A regular system of worldwide schedules came into being after World War II.

The Diplomatic Courier Service reached its peak strength of 100 after World War II. There are presently 100 couriers. Despite the hazards of wars, revolutions, shipwrecks, and plane crashes, only five couriers have lost their lives in the line of duty. No pouch or letter has ever been stolen from a diplomatic courier. The emblem of the Diplomatic Courier Service is a golden eagle in flight. Its motto, "none is swifter than these," is taken from Herodotus' description of Persian couriers.



The Treaty of Versailles was signed on June 28, 1919. At the close of World War I, the United States briefly abandoned isolation and attempted to establish not only a lasting peace but a new international order. (Library of Congress photo)

American missions located in belligerent countries often acted as caretakers for enemy interests in these countries. For example, the American Embassy in Berlin represented British, Japanese, and Italian interests in Germany until the United States abandoned neutrality.

The burgeoning responsibilities of the foreign services caused an increase in personnel and expenditure. Many temporary employees were assigned to duties at home and overseas. Resignations and retirements were minimized to retain experienced officers. Congress authorized a significant number of new permanent positions including 27 in the Diplomatic Service, a jump from 70 to 97. The domestic payroll grew from 234 people in 1910 to 708 in 1920. Expenditures jumped from \$4.9 million in 1910 to \$13.6 million in 1920.

For the first time since the earliest years of the nation, the American people gave sustained attention to foreign affairs. The Department accordingly attracted considerable attention and even praise, a welcome change from the general apathy or distrust that characterized the heyday of isolationism.

Man Behind the Throne

a time Edward M. House of Texas exercised much more influence on President Woodrow Wilson's foreign policies than the Secretary of State, Robert Lansing of New York. He came to Wilson's attention during the campaign of 1912 and soon became the President's most intimate friend. A quiet, self-effacing man, but one of great ambition, House established close relations with important European leaders, particularly in Great Britain. The President sent him to Europe during the period of neutrality (1914-17) to explore the possibility of mediating the European conflict. He later served as a special executive agent during the period of American belligerency (1917-18) representing the United States at an important Inter-Allied conference held in Paris during November 1917 and at the armistice negotiations in October-November 1918. During the war he also headed a group of experts known as the "Inquiry" who prepared information to be used by the American delegation to the postwar peace conference.

President Wilson made House one of the American peace commissioners in 1919, and the Texan played a significant role in the negotiations that took place in Paris. Unfortunately for him, he betrayed a tendency to compromise some of Wilson's positions, probably the reason for a rapid cooling of their friendship. When House returned from Europe he was no longer welcome at the White House.

3. The rise of the "new diplomacy" a term used to describe statecraft responsive to the desires of popular majorities—brought international politics and its practitioners fully into the consciousness of people who had never before concerned themselves with foreign relations.

And yet, despite its enlarged operational responsibilities and respectability, the Department of State lost much of its influence on the making of foreign policy. Almost all the significant decisions of the conflict—to pursue strict neutrality in 1914, to intervene on behalf of the Allies in 1917, to champion the League of Nations in 1918, and to negotiate a peace treaty on American terms in 1919—emanated from the White House without decisive contributions from the Secretary of State and his subordinates.

Several factors helped displace the Department of State as the principal source of advice concerning the most crucial questions of war and peace. One important reason was that President Wilson and his several Secretaries of State did not establish close and confidential relations with each other, almost always a precondition for influential leadership from the Department of State. Wilson relied primarily on others for advice, notably an intimate friend, Edward M. House of Texas. A less obvious but equally significant reason was that the Department was poorly organized to meet the requirements of wartime. It tended to act slowly, and it lacked expertise in treating military issues. Moreover, the exigencies of the national emergency dictated the participation of many agencies in decisions about foreign relations—notably the War Department, the Navy Department, the Treasury, and temporary organizations such as the War Industries Board—but the Department of State was not prepared to take a leading role in coordinating this activity. Finally, modern communications rendered the President less dependent on the Department for information than in earlier periods.

The experience of modern warfare revealed that the Department of State would have to undergo major changes. In January 1920, Secretary of State Robert Lansing of New York put his finger squarely on the reason, writing to a sympathetic Congressman, John Jacob Rogers of Massachusetts: "The machinery of government provided for dealing with our foreign relations is in need of complete repair and reorganization. As adequate as it may have been when the old order prevailed and the affairs of the world were free from the present perplexities it has ceased to be responsive to present needs." Three



Lucile Atcherson passed the examination for the diplomatic service in 1922 and became the first woman Foreign Service officer. (Photo taken in 1978) (Department of State photo)

categories of reform were required to revivify the Department. The foreign services must be fully professionalized and democratized; the structure of the Department must be modernized to deal effectively with a whole new range of policy matters in a transformed environment; and relations between the Department and other participants in the foreign policy process must be clarified and conducted in a new institutional context.

Measurable improvement occurred in the first of these dimensions after the First World War, when Congress completed the prewar movement toward a fully professional and democratic foreign service. Representative Rogers, who led the congressional campaign, stated his objective in 1923: "Let us strive for a foreign service which will be flexible and democratic; which will attract and retain the best men we have; which will offer reasonable pay, reasonable prospects for promotion, reasonable provision against want when old age comes to a faithful servant." Hugh Gibson, a respected diplomat interested in reform, supported Rogers, arguing that improvements in the Diplomatic and Consular

Services would attract the most qualified candidates so that "we can choose our men by the only good method—that is, by keen competition." He hoped for creation of "a real diplomatic career, which is open to any American citizen who has the necessary qualifications."

The Rogers Act, which became law on May 24, 1924, codified the reform of the foreign services. It established a career organization based on competitive examination and merit promotion. To eliminate invidious distinctions between the Consular and Diplomatic Services, the two groups were amalgamated into a unified organization whose members were made available for both types of activities. Henceforth, members of what was now called the "Foreign Service of the United States of America" would be commissioned in a given class with specified salaries rather than to overseas missions or posts. Salaries would range from \$3,000 for the lowest level, Class 9, to \$9,000 for Class 1. Officers would be placed in positions for 3 years with the presumption of regular rotation to other assignments. The Rogers Act granted regular home leave and set up a good retirement system. It also authorized representational expenses, although these allowances were not granted until 1931. A special reinstatement provision permitted career officers who became chiefs of mission to remain in the Foreign Service after completing their tours of duty. Earlier they had been required to resign without assurance of a future Presidential appointment to other responsible duties, a sure way of discarding the most experienced and competent officers at the height of their abilities.

Related actions helped support the fundamental objectives of the Rogers Act. In 1925 the Foreign Service School was founded to provide specialized training in languages and other necessary skills—recognition that modern complexities of function required educational updating at all stages of a career in the Foreign Service. In 1926 Congress passed the Foreign Service Buildings Act, an improvement of the Lowden Act. It permitted purchase or construction of buildings overseas for the use of missions and consulates. This measure further lessened the need to possess independent means in order to rise to the highest levels of the Foreign Service.

Foreign Relations of the United States

In 1861 Secretary of State William H. Seward decided to publish his important diplomatic despatches. This decision established the policy of publishing the record of American diplomacy. The documentary publication entitled *Foreign Relations of the United States* is the oldest and most extensive enterprise of its kind.

The editors of the *Foreign Relations* series include in volumes "all documents needed to give a comprehensive record of the major foreign policy decisions within the range of the Department of State's responsibilities, together with appropriate materials concerning the facts which contributed to the formulation of policies." The editors are enjoined to honor "the principles of historical objectivity." They may not omit information "for the purpose of concealing or glossing over what might be regarded by some as a defect of policy."

In addition to annual volumes for every year except 1869, certain special sets have been prepared, covering important topics such as the Paris Peace Conference of 1919 and the summit meetings of the Second World War. To date 283 volumes have been published. Volumes covering the 1950s are now beginning to appear.

Certain defects of the Rogers Act became apparent after a few years, especially inequities in the promotion of people serving in consular assignments, and Congress moved to correct them in 1931. The Moses-Linthicum Act reorganized the Board of Foreign Service Personnel to insure impartial promotion practices. Other sections of the law improved salaries, authorized paid annual leave and sick leave, set up an improved retirement system, and conferred career status on clerks in the Foreign Service. Unfortunately many of these gains proved transient. Economies in government that accompanied the Great Depression led

to suspension of promotion, a reduction of 15% in salaries, abolition of representational and living allowance, elimination of paid home leaves, and suspension of recruiting for 4 years. The result was a 10% reduction in the size of the service between July 1932 and December 1934.

The Department of State did not undergo a thorough structural reorganization after the First World War. In 1924 the Secretary, who had final responsibility for policy and administration, had relatively few senior officials to help him. The Under Secretary provided support on policies of special import. Three Assistant Secretaries helped with certain matters—the First Assistant Secretary with economic and financial questions, the Second Assistant Secretary with international law and related questions, and the Third Assistant Secretary with administration. The Chief Clerk supervised the Department's clerks and looked after its property. The Director of the Consular Service served as budget officer for the Department as well as the principal consular official. The Solicitor handled legal business and the Economic Adviser made recommendations concerning international trade and finance. Five geographic bureaus maintained communications between Washington and missions abroad. Various other organizations, such as the Division of Passport Control and the Bureau of Accounts, provided various types of support.

From time to time modifications were made in the basic structure created in 1909. New divisions or bureaus were created on occasion to manage new functions or to improve established ones. For example, a Division of Publications was established in 1921 to centralize work on informational projects such as the documentary series *Foreign Relations of the United States*. In 1929 a Division of International Conferences and Protocol was formed to cope with a considerable increase in the number of multilateral negotiations that occurred during the postwar decade and after. In 1938 a Division of Cultural Relations appeared that dealt with a new form of activity—cultural diplomacy—and also a Division of International Communications that provided modern telecommunications.

In the absence of an overall re-nization, these changes, however ful in themselves, did not make cient impact. The failure to mod-ze the Department of State re-ed the general decline in the on's commitment to an energetic ign policy after the Senate re-ated the Treaty of Versailles. icient Wilson was the first Ameri-eader to develop an international n that cast the United States in ole of global leader, but the nation ot yet prepared to accept perma-international responsibilities mensurate with its power. Charles awes, who served as Ambassador reat Britain during the Adminis-on of President Herbert Hoover (9-33), could say only half hu-usly that being an ambassador ard on the feet and easy on the n.

During the 1920s Americans tly resisted international com-ents of a truly binding character. rely because of leadership from etary of State Charles Evans hes, the Administration of Presi-Warren G. Harding sponsored ashington Naval Disarmament erence of 1921-22, and Secretary ate Frank Kellogg, who served icient Calvin Coolidge, played a ng role in the creation of the s Peace Pact (1928), a multi-al instrument that outlawed of-ive warfare. But these accomplish-ts did not alter the strongly iso-nist cast of American foreign y—a reversion that stemmed ot from disillusionment after the t World War but from the absence pparent challenges to national rity. Clear and present dangers erialized after 1929 during the at Depression. These massive eco-ic shocks reinforced the country's tionist inclinations during the rise otalitarianism.

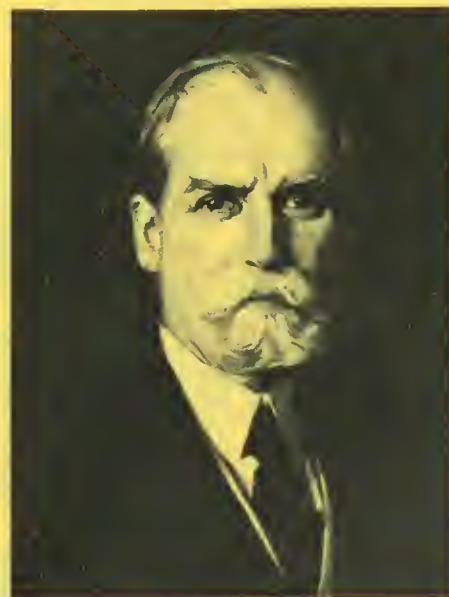
The consequence of these develop-ts for the Department of State and Foreign Service was a tendency to pt the relatively low priority ated to international affairs during "long armistice" from 1919 to). In the 1920s the Department of umerce rather than the Department ate provided leadership in spon-ge expanded international trade investment. During the early rs of President Franklin D. sevelt's New Deal in the 1930s, ecretary of State, Cordell Hull



Despite rejection of the Versailles Treaty and the League of Nations, the United States hosted the Washington Naval Disarmament Conference in 1921-22. Representatives of nine nations reached agreements to limit naval construction and to respect each other's interests in the Far East. (Library of Congress photo)

of Tennessee, strongly supported efforts to reduce barriers to international trade, but this enterprise was not by itself sufficient to combat the Depression or deter German aggression in Europe and Japanese expansion in East Asia.

The Department of State grew slowly during the interwar years. Between 1920 and 1930, the domestic work force increased from 708 to only 714, the Foreign Service from 514 to 633, and annual expenditures from \$13.6 million to \$14 million. The functions of the Foreign Service did not change materially. Its members devoted themselves to representation, negotiation, reporting, protection of American citizens and their interests, trade promotion, and consular tasks. One historian has described the generally backward state of the organization when Secretary Hull assumed control. "In 1933 the Department was small, placid, comfortably adjusted to the lethargic diplomacy of the preceding decade, and suffused with



Charles Evans Hughes served as Secretary of State from 1921 to 1925. His opening speech to the Washington conference on the limitation of armaments proposed naval restrictions that "sank" more ships in 15 minutes "than all the admirals of the world have sunk in a cycle of centuries." He later became Chief Justice of the Supreme Court. (Department of State photo)



Cartoonist Clifford K. Berryman views recognition of the Soviet Union. (Library of Congress photo)



William C. Bullitt served as the first American Ambassador to the Soviet Union (1933-36); he was also Ambassador to France (1936-40). (Department of State photo)



A perennial problem in American foreign policy. (Library of Congress photo)

habits of thought that reached back to a still earlier day." Overseas missions were in a comparable state. "The Foreign Service—genteel, slow moving, and complacent—also cherished its ties with the past." Although many highly qualified people served home and abroad, their presence did not in itself insure effective institutional performance: "Individual competence is seldom proof against outmoded procedures and relaxed standards of accomplishment." The United States still lacked an apparatus for the conduct of foreign relations appropriate to the modern era.

The neglect of foreign relations that characterized the interwar years dissipated rapidly with the onset of the Second World War; the undeniable menace of Hitler's Germany and its partners, Italy and Japan, forced the U.S. Government to increasingly interventionist policy, particularly given the Axis victories of 1939-41, when the nation again adopted neutrality. President Franklin Roosevelt took the initiative: He launched rearmament, authorized the sale of destroyers to Great Britain in return for leases on certain bases in the western Atlantic, and eventually provided wholesale economic assistance to the anti-



Bryn Owen, daughter of William Jennings Bryan, was America's first woman Chief of Mission. She served as Minister to mark from 1933 to 1936.

(Department of State photo)

man coalition of Great Britain and Soviet Union by means of the Lend-Lease Act (1941). Nevertheless, the United States did not enter the war until the Japanese air raid on Pearl Harbor on December 7, 1941.

The American intervention of 1917, like that of 1917, committed the United States to another period of intense international activity, an era that added greatly to the tasks of the Department of State. It accepted responsibility for evacuating Americans from combat zones, representing the interests of belligerent enemy countries, assisting prisoner-of-war exchanges, maintaining liaison with the International Red Cross, and dealing with refugees.

During the war the most notable increase in business within the Department occurred in the economic field. Officials of the Department had to coordinate the activities of various wartime agencies set up to mobilize the nation for total war and assist in the reconstruction of liberated territories. The Department had created a complex system to pro-

vide efficient international communications, a vital aspect of waging global war.

To perform its tasks, the foreign policy community grew at an unequalled rate. In 1940 the Department had 1,128 domestic employees, and it survived on total expenditures of \$24 million, of which less than \$3 million was spent at home. By 1945 the staff had grown to 3,767 people, and the budget for all operations had risen to about \$50 million. Recruiting for the career Foreign Service was suspended during the war, but a Foreign Service Auxiliary was created to provide additional assistance. It sought experienced elders with necessary qualifications and young people with abilities comparable to those of successful prewar candidates for the Foreign Service. By January 1946, the Auxiliary included 976 people.

To manage international tasks that would not be taken on by the Department, a number of wartime agencies came into existence. Among them were the Board of Economic Warfare, the Office of War Information, the Office of Strategic Services, the Lend-Lease Administration, and the Office of the Coordinator of Inter-American Affairs.

And yet, as during the First World War, the President largely ignored the Secretary's advice on policy; the Department of State confined itself mostly to day-to-day operations. Secretary Hull proved influential only in one area—preparation of plans for postwar international organization. This situation stemmed from the Department's failure to organize for fully effective performance in wartime. Wartime decisions required coordination of political ends and military means, but the Department of State lacked the means—expertise and institutions—to exert dominant influence on the shaping of grand strategy. Like President Wilson before him, President Roosevelt turned to a coterie of trusted advisers, among them Harry Hopkins, Vice President Henry A. Wallace, General George C. Marshall, Under Secretary of State Sumner Welles, and Secretary of the Treasury Henry Morgenthau, Jr. Although Secretary Hull was usually informed of important decisions, he rarely participated in the great wartime conferences at which the leaders of the grand alliance forged the victory of 1945. His inability to gain the President's full confidence kept

Another Man Behind the Throne

Harry Hopkins spent his earlier career as a social worker. He came to Washington in 1933 as one of the New Dealers. His first assignment was to administer employment relief; he headed the Work Projects Administration. In 1938 he became President Roosevelt's Secretary of Commerce.

As World War II approached, President Roosevelt turned increasingly to Hopkins for crucial assignments. He first served as the administrator of the Lend-Lease Act in 1941 and then moved to the White House as a special assistant. In this capacity he was sent on secret missions to serve as the President's eyes and ears. In July 1941 he went to Moscow to work out cooperation with Stalin after Germany attacked the Soviet Union. He attended all of the great wartime summit conferences such as Casablanca (1943) and Yalta (1945) held to coordinate the strategy and policy of the "grand alliance"—the United States, Great Britain, and the Soviet Union. Closely attuned to the needs and desires of the President, he also gained the confidence of Prime Minister Winston Churchill and Premier Joseph Stalin. His last public service, after the death of President Roosevelt, was to visit Moscow in a successful effort to obtain Russian cooperation in creating the United Nations.

the Department from a reasonable part in many major decisions. It is not surprising that Secretary Hull should have commented bitterly toward the end of his service: "When I accepted this office, I knew that I would be misrepresented, lied about, let down, and that there would be humiliations that no man in private life could accept and keep his self-respect. But I made up my mind in advance that I would accept all these things and just do my job."

In 1943 Edward R. Stettinius, Jr. of Virginia became Under Secretary of State and immediately began to plan a major reorganization of the Department of State, an enterprise that stemmed directly from wartime

embarrassments. One journalist summarized the situation aptly: "Notwithstanding the personal prestige of the Secretary of State [Hull], the organization he heads has only to be mentioned in almost any circle, American or foreign, to arouse either doubt, despair, or derision." Stettinius' reorganization marked the dividing line between the old Department of State and the present agency. He began the process of making adjustments to insure that the Department would participate effectively in shaping the nation's foreign relations during the difficult postwar era that lay ahead.

Stettinius concentrated on certain key deficiencies of the Department, particularly unsound division of responsibility for certain important functions, inadequate means of obtaining and disseminating information, and ineffective long-range planning. On December 20, 1944, shortly after Stettinius succeeded Hull as Secretary of State, he issued Department Order 1301, which concentrated similar functions in the same office and related offices under a senior official, either the Under Secretary or one of six Assistant Secretaries.

To coordinate the work of the Department, insure follow-through, and conduct long-range planning, Order 1301 created several new organizations. A Staff Committee consisting of the Secretary and his principal subordinates became the chief managerial group. The task of making initial investigations of policy matters and controlling interoffice projects was given to a Coordinating Committee. A Joint Secretariat was charged with monitoring Department activity to insure efficient action on decisions. Finally a Policy Committee and a Committee on Postwar Problems were created to undertake long-range planning.

Secretary Stettinius also recognized the need to improve the management of functions that overlapped the jurisdictions of the traditional geographic bureaus. New bureaus were set up to deal with trade relations, cultural diplomacy, and public information. Another important functional organization came into being in September 1945—the Interim Research and Intelligence Service, the forerunner of the present-day Bureau of Intelligence and Research. These

innovations minimized fragmentation of jurisdiction that so frequently immobilized the Department when quick decisions were required in a crisis.

Certain other steps that continued the modernization of the Department were taken during the service of Secretary of State James F. Byrnes of South Carolina, who succeeded Stettinius in July 1945, shortly after Harry S. Truman became President. The most important activity was to gather several temporary wartime organizations into the permanent structure of the Department, especially those that dealt with international economic affairs. In August 1946 the Department created an Under Secretary for Economic Affairs. This official teamed with an existing Assistant Secretary for Economic Affairs to supervise economic activities and to establish effective relations with certain international institutions such as the International Bank for Reconstruction and Development, the International Monetary Fund, and the Food and Agriculture Organization.

To modernize personnel practices, Congress passed the Foreign Service Act of 1946, which became law on August 13, 1946. It was intended to "improve, strengthen, and expand the Foreign Service . . . and to consolidate and revise the laws relating to its administration." To improve the administration of the Foreign Service, the act of 1946 established a Director General and a Board of the Foreign

Service, and to maintain the principle of competitive entrance it set up a Board of Examiners. It also provided for improvements in assignments policy, promotion procedures, allowances and benefits, home leave, and the retirement system. Recognizing the growing importance of expertise in certain critical areas, it created the Foreign Service Reserve for people needed in specialist categories such as lawyers, doctors, economists, and intelligence analysts. Finally the act converted the Foreign Service School into the modern Foreign Service Institute to offer advanced training for Foreign Service officers in subject of particular importance to the Department.

The new Department of State emerged from World War II better prepared to play a leading role in the foreign policy process and fully aware that the tasks ahead loomed more difficult than any encountered in earlier years. In July 1945, Secretary Byrnes recognized the extent of the postwar challenge. "Today there is no doubt that the people of this war-ravaged Earth want to live in a free and peaceful world. The supreme task of statesmanship in the world over is to help them understand that they can have peace and freedom only if they tolerate and respect the rights of others to opinions, feelings, and way of life which they do not and cannot share."



As President Harry S. Truman watches, Secretary of State Edward R. Stettinius, Jr., signs the United Nations Charter in San Francisco on June 26, 1945. (Department of State photo)

The Age of Global Leadership, 1947–Present

In April 1947 the Department of State occupied new quarters located in a section of Washington, D.C., known as Foggy Bottom. This move coincided with one of the most striking departures in the history of American foreign relations. The United States and the Soviet Union, allies during the Second World War, had emerged from that conflict as the sole world powers. By 1947 efforts to maintain cooperation had broken down. President Harry S. Truman, working closely with two Secretaries of State, George C. Marshall of Pennsylvania and Dean G. Acheson of Maryland, took decisive steps to preclude Soviet aggression against regions in which the United States had vital interests.

A leading expert on Soviet affairs in the Department of State, George F. Kennan (soon to become head of the Policy Planning Staff), developed the intellectual basis for what became known as the policy of "containment." Kennan concluded that "the main element of any United States policy toward the Soviet Union must be that of a long-term patient but firm and vigilant containment of Russian expansive tendencies." This concept inspired a series of successful initiatives undertaken from 1947 to 1950 in which the Department of State played a leading role.

The first step was the "Truman Doctrine" of March 1947. Reacting to fear that Greece and Turkey might fall victim to subversion for lack of support from friendly nations, President Truman asked Congress to authorize \$400 million in emergency assistance to the two nations. To justify this course he stated: "I believe we must assist free peoples to work out their destinies in their own way." The key to preventing overthrow of free nations was to attack the conditions of "misery and want" that nurtured totalitarianism.

Very soon this general idea was applied to Western Europe. In June 1947, Secretary Marshall proposed the extension of massive economic assistance to the devastated nations of Europe, saying that the policy



Secretary of State George C. Marshall (1947–49) proposed the European recovery program, better known as the Marshall plan. (Department of State photo)

of the United States was not directed "against any country or doctrine but against hunger, poverty, desperation, and chaos. Its purpose should be the revival of a working economy in the world so as to permit the existence of political and social conditions in which free institutions can exist." Congress later authorized the European Recovery Program, better known as the Marshall plan. An investment of about \$13 billion in Europe during the next few years resulted in an extraordinarily rapid and durable reconstruction of Western Europe.

It soon became apparent that there must be a political-military dimension to the policy of containment. In June 1948, Senator Arthur H. Vandenberg of Michigan, a strong proponent of bipartisan foreign policy, sponsored a resolution in the Senate that set the nation's course. It called for "progressive development of regional and other collective arrangements for individual and

collective self-defense in accordance with the purposes, principles, and provisions of the [United Nations] Charter." President Truman had already applied this concept to Latin America. The Rio pact, signed in September 1947, provided that "an armed attack by any State shall be considered as an attack against all the American States and, consequently, each one of the said Contracting Parties undertakes to assist in meeting the attack." Collective security was invoked once again in the North Atlantic Treaty. Signed in Washington in April 1949, it created the North Atlantic Treaty Organization (NATO). The Rio pact and the NATO pact ended the policy of no entangling alliances. Economic assistance to endangered regions and collective defense agreements with likeminded nations became the principal means of insuring containment of the Soviet bloc.



Dean Acheson was the architect of postwar collective security. While he was Secretary of State (1949-53), the United States negotiated the North Atlantic Treaty, signed treaties of peace and mutual defense with Japan, and committed its armed forces to the defense of South Korea.

(Photo by Fabian Bachrach)

During the Presidency of Dwight D. Eisenhower (1953-61), the United States ratified a number of bilateral and multilateral treaties designed to extend the wall of containment around the Soviet Union and its allies. Among these arrangements were the Central Treaty Organization (CENTO); the Southeast Asia Treaty Organization (SEATO); and bilateral treaties with Japan, South Korea, the Republic of China, and the Philippine Republic.

At times the United States was forced to counter unexpected probes along the dividing line between the free nations and their rivals. In 1948 the United States and its European allies fended off a dangerous threat to the western zones of occupied Berlin. When the Soviet Union interdicted land access, the city received supplies by means of a massive airlift. Eventually the Russians were forced to lift the blockade. When North Korea invaded South Korea in 1950, the United States sponsored a "police action" under the auspices of the United Nations to curb the aggressor. After a long struggle the United Nations Command preserved the independence of South Korea. In 1954 the United States took a strong stand in favor of Taiwan when the Chinese People's Republic bombarded certain islands off the Chinese mainland. In 1955 assistance began to flow to the new nation of South Vietnam, created after the withdrawal of France from Indochina.

The evolution of containment had remarkable effects on the agencies most concerned with American foreign relations. Soon after the Second World War, Congress created a new institutional structure to reach sound decisions relating to national security and to put those decisions into effect. The National Security Act of 1947 recognized that the President must have the ability to control national security policy and that to achieve this object there must be "a single, top-ranking body to form and correlate national policy." The institution founded to perform this function was the National Security Council (NSC).

The creation of the NSC did not displace the Secretary of State as the President's senior adviser on international questions; it simply insured that all concerned agencies would make cooperative contribution to the decisionmaking process in appropriate measure. The principal participants in the NSC, acting at the direction of the President, are the Vice President and representative of the Department of State, the Department of Defense, the Joint Chiefs of Staff, the Central Intelligence Agency, and, on occasion, interdepartmental groups ranging in nature from small informal committees to large, highly organized councils. Proliferation of interagency organizations reflected the fact that few national-security issues could be dealt with by only one agency.

The NSC structure for making national security decisions provided an institutional vehicle through which the Department of State could exert a continuing influence on the nation's "grand strategy," that is, the systematic design for insuring national security that pulls together the basic means of exercising national power—political, economic, psychological, and military measures—something that the Department had found difficult to accomplish during the troubled years between 1914 and 1945.

Nevertheless, the Department of State realizes its full potential in this new institutional context only if the Secretary of State gains the confidence of the President. The Department's signal contributions to the containment policy stemmed from close associations between President Truman and Secretaries Marshall and Acheson. Truman was always anxious to complete action on important questions; he wanted to make his decision as soon as he had a sound basis. Secretary Acheson, notes his biographer, "could always provide an adequate basis, or its appearance, before any rival body. . . . In the race with time, which was the key to influence over the President, Acheson was unbeatable." Secretary of State John Foster Dulles established effective communication with President Eisenhower after 1953, thereby insuring that the Department of State continued to receive a hearing at the White House.



As Foster Dulles extended American alliances to Southeast Asia and the Middle East. As Secretary of State (1953-59), he traveled half a million miles and visited 60 countries. He coined such colorful descriptions of his policies as "liberation," "going to the brink," "agonizing reappraisal," and "massive retaliation."

(Department of State photo)

The revolution in American foreign policy that occurred after the Second World War greatly affected the position of the Secretary of State. Before 1941 domestic political considerations rather than the need for expertise in foreign affairs usually guided the President in his choice of the senior foreign policy adviser, but after 1945 most of the Secretaries were selected because they possessed broad experience and technical skills deemed essential to effective performance. Before 1941 Secretaries usually remained in Washington, depending on ambassadors or executive agents to conduct negotiations overseas, but after 1945 Secretaries traveled extensively. Before 1941 Secretaries did not usually concentrate on the management of the Department of State, but after 1945 they had to give large amounts of time to administration. The burdens of office have greatly increased, but there has been a significant compensation. Secretaries have gained in prestige, a consequence of the high priority accorded to foreign relations in recent years.

Extensive international activity after the Second World War led to great changes in the Department of State. Members of the Foreign Service performed duties that went far beyond the traditional missions of political representation, negotiation, and reporting. Knowledge of varied scientific, economic, cultural, and social issues became essential. In 1970 a Department publication, *Diplomacy for the 70's*, drew attention to this development. It noted that the agency now had to conduct "critically important programs for promoting our commercial exports, for concessional sales of agricultural commodities, for narcotics control, for military and development aid, for the inspection and licensing of airline routes, for cooperation in the peaceful applications of atomic energy, for scientific and technological exchange, for coordinating international monetary policy, and for communicating directly with people of other countries through the media of press, radio, and television."

To provide an adequate institutional framework for its varied responsibilities, many of which could not be accommodated in the existing geographic bureaus, the Department established many new functional organizations. As of 1980 there were 14 such units, each headed by an Assistant Secretary of State or an official of comparable rank, as against five geographic bureaus. Functional bureaus created since the Second World War cover such diverse concerns as Intelligence and Research, Congressional Relations, Politico-Military Affairs, Oceans and International Environmental and Scientific Affairs, and Human Rights and Humanitarian Affairs.

Certain other functions earlier housed in the Department of State are now the responsibility of other organizations. The U.S. International Communication Agency (USICA) manages international informational activities and cultural relations. Foreign economic assistance is now in the hands of the Agency for International Development (AID). Another vital enterprise—arms control negotiations—is the principal task of the Arms Control and Disarmament Agency (ACDA).

New Department of State Building



The present home of the Department of State is at 2200 C Street, Northwest. On January 5, 1957, President Eisenhower joined with Secretary Dulles in laying the cornerstone. The President used the same trowel that was used by George Washington to lay the cornerstone of the U.S. Capitol in 1793. A sealed metal box containing a selection of historic documents was deposited in the cornerstone. The

building was completed in 1961.

This structure covers four square blocks and has seven floors of office space. An eighth floor is used for official functions such as diplomatic dinners and receptions. These rooms are furnished largely with a growing collection of antiques and art treasures provided by the American people on loan or as gifts.

To assist the Secretary of State the Department now has a large team of central managers. The Deputy Secretary of State serves when necessary as the Acting Secretary and, with the Counselor of the Department, is available for special assignments. Four Under Secretaries of State oversee important functional areas—political affairs; economic affairs; management; and security assistance, science, and technology. Special support for the Secretary comes from the Executive Secretariat, a unit set up to control information flow and to follow up decisions, and from the Policy Planning Staff.

Administrative problems also materialized overseas when many agencies of the U.S. Government entered the foreign field. This influx ultimately caused jurisdictional disputes, disorderly management, and widespread inefficiency. To restore order President Eisenhower issued a series of Executive orders that established the Ambassador as the supervisor for all operations within his country. The chief of mission became the leader of a "country team" that included representatives of all organizations with operational responsibilities, for example, the Department of Defense, the U.S. Information Service (the predecessor agency of USICA), the Department of Agriculture, and the Peace Corps. Further improvement occurred in 1966 when President Lyndon B. Johnson and Secretary of State Dean Rusk arranged for "country directors" in the geographic bureaus, who supported chiefs of mission; they communicated policy guidance and mobilized operational and administrative support for the country team.

The revolution in foreign policy produced much greater growth in the Department of State than in any previous period. A few statistics graphically illustrate this pattern. The domestic work force enlarged from 1,128 in 1940 to a postwar high of 8,609 in 1950. The total declined to 6,983 in 1970, but rose to 8,433 in 1980, still below the level of 1950. The Foreign Service expanded at a similar rate. From a mere 840 in

1940 it jumped to a high of 7,710 in 1950. The total number in all categories of the Foreign Service in 1980 was 5,861. The budget of the Department also rose spectacularly, even if inflation is taken into account. In 1940 the total expenditure was \$24 million but by 1950 it reached \$350.9 million. After a decline to \$246.6 million in 1960, expenditures climbed to \$447.8 million in 1970 and to \$2,354,139,275.69 in 1980. Even so the Department of State has the lowest budget of all Cabinet departments.

After the accomplishments of the immediate postwar years, the Department of State suffered a crippling blow when it became the prime target of Senator Joseph McCarthy's search for subversives in the U.S. Government. In February 1950, shortly after the Soviet Union acquired nuclear weapons and Mao Zedong seized power in China, the Wisconsin Senator launched his anti-Communist crusade with a speech in Wheeling, West Virginia. Depicting the international position of the United States in the most dire terms, he insisted: "How can we account for our present situation unless we believe that men high in the govern-

ment are concerting to deliver us to disaster? This must be the product of a great conspiracy on a scale so immense as to dwarf any previous venture in the history of man." He announced that he had a list of 205 subversives—"a list of names that were made known to the Secretary of State as being members of the Communist Party and who nevertheless are still working and shaping policy in the State Department." Senator McCarthy never made public such a list. A number of the most experienced Foreign Service officers, notably the Department's corps of Far Eastern experts—were forced out of the Department or their reputations were otherwise seriously damaged. Senator McCarthy never proved any of his irresponsible allegations.

McCarthy's allegations had a lasting effect on those who remained in the Department. John W. Ford, a security officer at the time, has since noted that "few people who lived through the McCarthy era in the Department of State can ever forget the fear, intimidation, and sense of outrage which permeated Foggy Bottom." In 1978 the Under Secretary of State for Political Affairs, David D. Newsom, said: "I can recall the



Loy W. Henderson began his diplomatic career as Vice Consul in Dublin in 1922. His 39 years of service included assignments as Minister to Iraq (1943-45), Ambassador to India (1948-50) and to Iran (1951-54), and Deputy Under Secretary for Administration (1955). The Department's international conference room was dedicated to him in 1976.

(Department of State photo)

ck of the taunts and suspicions
led at the State Department and
se who served in it. It must be
sifying, but not full recompense,
those who suffered in that period
ave our nation now realize that
y were substantially right."

The notion that the Department
ved the nation's enemies lingered
for many years. Senator Henry
Jackson of Washington put his
er on one reason for the tendency
level unjustified criticism at the
partment. "We know that the State
partment has been a target for all
the problems of the cold war
ause it is called the State De-
partment—it is the Foreign Office. It
very popular target—and does not
e any constituents." The relative
ence of powerful and assertive
port from organized interest
ups, especially in comparison with
at other major agencies, renders
Department of State vulnerable to
sponsible charges, especially in
iods of international stress. It
ally can be attacked without fear
erious retaliation.

While the Department struggled
h McCarthyism, it also sought to
lernize its personnel practices.
twar growth produced what one

historian described as "inertia, inflex-
ibility, and loss of efficiency in the
use of personnel." Stanton Griffis, a
businessman who served as Ambas-
sador to several countries, later
satirized the confused situation.
Overseas missions constituted "a
fantastic network of men, women, and
typewriters, who report [on] . . .
political, economic, labor, and agri-
cultural conditions." These reports
then went to Washington, where they
were immediately filed away. Then
"the home team, having properly
disposed of the information from the
field, proceeds to write its own endless
reports to go forward to the same
ultimate fate in the embassies
throughout the world."

The personnel problems of the De-
partment of State attracted the
attention of a commission, headed by
former President Hoover, created to
investigate all aspects of government
organization after World War II.
In 1949 the commission called for
reforms to eliminate one important
source of difficulty—invidious distinc-
tions between the Foreign Service and
the civil servants who staffed the
Department's headquarters in
Washington.

Several years later, in 1954, Secre-
tary of State John Foster Dulles
asked Henry M. Wriston, the
President of Brown University, to
undertake a study of the Department's
personnel practices. Dulles drew
attention to a number of concerns,
among them poor morale because of
managerial shortcomings, low intake
into the Foreign Service, and inequi-
ties that stemmed from differences in
the treatment of different categories
of employees. After examining these
matters, President Wriston called for
integration of many Civil Service
employees into the Foreign Service.
There followed several years of
"Wristonization"; by the end of
1957 the Foreign Service had more
than doubled in size to 3,436 officers.
By August 1959, 1,523 Foreign Service
officers held positions in the Depart-
ment, a device intended to improve
communications between Washington
and the missions overseas and to fulfill
the legal requirement that Foreign
Service officers spend a portion of
their careers at home.

Although the reforms of the
early postwar years served the De-
partment well, the march of events
during the 1950s and especially the

1960s posed new difficulties. The
innovative concept of containment
began to lose some of its utility as
a rough balance of power was estab-
lished in Europe and East Asia. As
East-West tensions subsided some-
what, new strains developed along a
North-South axis. After the Second
World War, which completed the
destruction of the great European
colonial powers, ancient peoples
everywhere in Africa and Asia
recaptured their sovereignty. A
"revolution in rising expectations"
throughout the Third World spawned
new international issues that greatly
complicated the task of statecraft.

The need to make significant
changes in the foreign policy of the
United States became fully apparent
during the war in South Vietnam.
The modest intervention that began
in 1955 after the departure of France
from Indochina turned into a major
enterprise during President Johnson's
Administration (1963–69). In 1968,
after 3 years of warfare that led to
the introduction of over 500,000
American troops into South Vietnam,
President Johnson decided to dis-
engage from a struggle that had lost
popular support at home.

The election of President Richard
M. Nixon in 1968 led to important
changes in direction. In February
1970, acting on the advice of Henry A.
Kissinger, the Assistant to the
President for National Security
Affairs, President Nixon presented
a report to Congress entitled
U.S. Foreign Policy for the 1970s,
in which he described certain basic
changes that had taken place in
the world since 1945. The world, he
believed, had largely recovered from
the damage of the Second World War;
many new nations had come into
existence in Africa and Asia; the
monolithic structure of international
communism had been fractured
because of developments in China and
Eastern Europe; the United States no
longer possessed a monopoly of
nuclear weapons; and a significant
moderation had occurred in inter-
national ideological conflict. Given
these developments, President Nixon
continued, the United States in the
future should rely more heavily on
partnership with likeminded peoples;
it should maintain sufficient military

Diplomatic and Consular Posts 1978–1980

	Diplomatic	Consular
1978	4	3
1979	2	10
1980	6	52
1981	4	60
1982	7	83
1983	15	141
1984	20	152
1985	27	197
1986	33	282
1987	36	318
1988	35	303
1989	41	323
1990	41	318
1991	48	324
1992	45	368
1993	57	299
1994	58	264
1995	74	179
1996	99	166
1997	117	122
1998	133	100

President Carter and Human Rights

President Carter made human rights one of the cornerstones of his foreign policy. In his Inaugural Address, delivered on January 20, 1977, he set the tone for his later activity in this respect.

"To be true to ourselves, we must be true to others. We will not behave in foreign places so as to violate our rules and standards here at home, for we know that the trust which our nation earns is essential to our strength.

"The world itself is now dominated by a new spirit. Peoples more numerous and more politically aware are craving, and now demanding, their place in the sun—not just for the benefit of their own physical condition but for basic human rights.

"The passion for freedom is on the rise. Tapping this new spirit, there can be no nobler nor more ambitious task for America to undertake on this day of a new beginning than to help shape a just and peaceful world that is truly humane."

strength to support its foreign policy while at the same time seeking arms control and disarmament; and it should constantly manifest "willingness to negotiate," abandoning the postwar tendency to reject the likelihood of successful diplomatic contacts with Communist nations.

President Nixon, acting on these principles, pursued two important enterprises that culminated in 1972. In February he visited Peking, setting in motion a long-term movement toward normalization of relations with the Chinese People's Republic. In May he traveled to the Soviet Union and signed agreements that contained the results of the first Strategic Arms Limitation Talks (SALT I). New negotiations were begun to extend arms control and disarmament measures (SALT II). These developments inaugurated a period of "detente" that accorded with a general tendency among the American people to favor a lowered profile in world affairs after the chastening experience in Vietnam that ended in 1975 with the last withdrawal of American personnel.

Improvements in relations with the Soviet Union and the Chinese People's Republic, signaling a possible end to the cold war, did not lead to general improvement in the international climate. The international economy experienced considerable instability, leading to a significant modification of the international financial system that had been set up at the end of World War II. A keystone of that system was a stable U.S. dollar, to which other nations pegged their currencies. The dollar eventually came under severe attack, especially after adverse developments in the international balance of payments. In 1971 the dollar was devalued, a decision that inaugurated a period of unstable currency exchange rates. Two years later the international economy suffered another blow when, after Israel and Egypt fought a fourth war, the Arab oil-producing nations instituted a boycott of oil shipments to important consumers, particularly in Europe and East Asia. Henry A. Kissinger, appointed Secretary of State in October 1973, became deeply involved in efforts to resolve the longstanding dispute between Israel and its Arab neighbors.

After President Jimmy Carter took office in 1977, he and his Secretaries of State, Cyrus R. Vance of New York and Edmund S. Muskie of Maine, continued the search for further arms control agreements with the Soviet Union and for restoration of political stability in the turbulent Middle East. President Carter's most distinctive modification of general foreign policy was his energetic promotion of international human rights.

As the nation passed through the 1970s the Department of State came to grips with certain new challenges as it made adjustments to the changing pattern of world politics. Among these challenges four deserve special mention. Continuing attempts have been made to achieve effective managerial and personnel arrangements. The Congress has asserted considerable influence in the foreign policy process, a significant departure from prior practice. Efforts have been undertaken to meet the requirements of equal employment opportunity. Finally, an outburst of international terrorism has exposed the Foreign Service to great danger in many parts of the world.

Growing concern about the efficiency of the Department of State during the late 1960s ultimately led to a major self-study conducted in 1970. Thirteen task forces of Foreign Service and Department employees thoroughly investigated all activities and produced the report, *Diplomacy for the 70's*, that made many recommendations. The task forces traced the difficulties of the Department to "weakness in the area of management capability." The agency still lacked the modern managerial know-how required for efficient operations in the complex environment of the modern world. "Because of the diversity and complexity of our overseas activities, effective coordination calls for a wide range of management skills and management tools. The traditional reliance of Foreign Service officers on experience and tradition is no longer good enough." What was required? "The diplomacy of the seventies calls for a new breed of diplomat-manager, just as able as the best of the old school, but equipped with up-to-date techniques and backed by a Department organized on modern management principles."

Members of the Foreign Service had been bombarded ever since the Second World War with call after call for change in their professional attitudes and activities. For example, Senator J. William Fulbright of Arkansas, the Chairman of the Senate's Committee on Foreign Relations, noted in 1964 that a contemporary Foreign Service officer "must not only know how to use the traditional tools of diplomacy, but must also be expert in the new instruments of foreign policy such as economic aid and cultural exchange. To maintain professional proficiency the modern diplomat must constantly acquire additional education. 'If there is a continuous process of improvement in the people involved implementing foreign policy, the procedures and techniques employed will be improved as a natural by-product.'"

Diplomacy for the 70's called for "a new spirit in the Department." One of the task forces insisted that the times required "a tremendous effort . . . to shake off old habits, old ways of doing things, old ways of dealing with each other. What we are proposing is a change of outlook

method." The report concluded: "The traditional mode of reflection and detachment cultivated by diplomats trained in the old school must be reinforced by a more dynamic and assertive style if the Department is to play the role which the President expects of it."

Not everyone welcomed such changes. One historian notes that some Foreign Service officers opposed radical change, considering themselves "an embattled and misunderstood elite who functioned as political advisers and policy planners." Rather than retooling for changing responsibilities, these officers sometimes argued through their professional organization, the American Foreign Service Association, that the Foreign Service should be given increased political responsibility by giving career officers in high-level positions at home and abroad.

The conflict between those who defended the older model and those who wanted to modernize the Foreign Service found expression in a long-standing dispute over whether Foreign Service officers should be generalists or specialists. Those opposed to change argued that the Foreign Service should continue to rely primarily on general experience and intuition. Those interested in reform maintained that the future belonged to specialists with advanced training. Henry Wriston called for balance. "Specialized skills were essential in the modern era, but it seemed evident that specialists tended 'to become so narrow as to lose perspective; then, when specialism conceives of its own life as 'most vital.'" Wriston concluded that "no rule of thumb can establish the proper balance" between general and special skills. He believed that the best specialists would "broaden rather than narrow their interests with experience and on becoming senior officers [would] prove to be good generalists."

This outlook is reflected in the most recent attempt to resolve the personnel problems of the Department of State—the Foreign Service Act of 1980. Its principal provisions represent a turn away from the effort to establish an integrated Foreign Service; henceforth employees of the Department of State are not liable for overseas service, including specialists formerly placed in the Foreign Service Reserve, will

Expenditures 1781–1980

1781	\$57,309*
1791	57,619.23
1800	294,894.31
1810	118,782.07
1820	340,698.03
1830	422,200.69
1840	890,273.22
1850	716,521.03
1860	1,264,946.22
1870	1,681,174.53
1880	1,343,241.80
1890	1,773,066.75
1900	3,356,173.87
1910	4,909,557.77
1920	13,590,288.51
1930	13,986,172.82
1940	24,003,329.49
1950	350,855,773.75
1960	246,625,626.92
1970	447,753,719.37
1980	2,354,139,275.69

* "Exclusive of Contingencies."

be members of the Civil Service. When the act is put into effect, it will produce a Foreign Service of 6,850 people and a domestic work force of 3,800 people, a total of approximately 10,650 employees. The act seeks to encourage qualities in the Foreign Service that are essential to the modern practice of diplomacy. Under Secretary of State David D. Newsom summarized these qualities in 1978: "An understanding of our own nation; a balanced sensitivity to other societies and peoples; a firm grasp of the subject matter of international relations; and the skill to bring this knowledge together in advancing both the interests of our country and the establishment of working understandings with others."

The principle of executive predominance in the conduct of foreign relations was not seriously challenged until recent times, but the need to finance economic assistance and other important aspects of an active foreign policy has upgraded the role of Congress in the foreign policy process. Recognizing this development, the Department of State designated an Assistant Secretary for Congressional Relations in 1949 to improve

liaison with Capitol Hill. Bipartisan approaches to foreign affairs minimized executive-legislative tensions during the earlier postwar years, but burgeoning public opposition to the war in Vietnam during the 1960s caused Congress to question executive behavior and even to sponsor international activities on its own.

The most significant initiative of Congress has been in the field of international human rights. Seeking to stimulate more active support of oppressed people, Congress enacted a series of statutes during the 1970s that placed legislative constraints on various types of economic and military assistance to governments that consistently violated internationally accepted human rights. Differences of view between the legislative and executive branches narrowed when President Jimmy Carter expressed strong support for an active human rights policy.

In other respects, however, President Carter encountered congressional resistance. The Senate manifested considerable reluctance to accept a treaty providing for the return of the Panama Canal Zone to Panama before finally giving its consent. Even greater Senatorial doubts about the SALT II Treaty, reinforced by the Soviet invasion of Afghanistan in December 1979, caused the President to postpone further consideration of the agreement.

During the 1960s the activities of the civil rights movement in the United States led to the passage of legislation designed to insure equal employment opportunity in the Federal Government, and the Department of State undertook to meet its responsibilities in this respect. Much needed to be done. Although women and members of minorities had long formed part of the Department of State, they were seriously underrepresented, particularly in the higher ranks.

The Department of State first appointed women to full-time positions in 1874, but they were deemed unqualified for other than clerical duties. In 1905, for example, Assistant Secretary Frederick Van Dyne said: "The greatest obstacle to the employment of women as diplomatic agents is their well known inability to keep a secret." The first woman to achieve supervisory rank was Margaret Hanna, who

entered the Department as a clerk in 1895 and became Chief of the Correspondence Bureau in 1918. A few other women rose to managerial positions during the 1920s, including Ruth Shipley, who assumed the leadership of the Passport Division in 1921.

The first woman to enter the Foreign Service, Lucile Atcherson, was not appointed until 1922, after the First World War. The first entrant after the passage of the Rogers Act was Pattie H. Field in 1925. Continuing doubts about the ability of women to endure the trials of duty overseas worked against acceptance of women in the Foreign Service. After Atcherson and Field were appointed, a senior diplomat suggested that "it would be a wise thing to refrain from taking any more women until we can form an idea of their usefulness from observation of those we have already taken in." To exclude women who scored high on written examinations, another official observed that examining boards might award failing grades on oral examinations.



Eugenie M. Anderson was the first woman Ambassador (Denmark, 1919-53) and the first woman to sign a treaty on behalf of the United States. (Department of State photo)

The first women given political appointments to high-level diplomatic positions occurred during the 1930s. In 1933 President Roosevelt named Ruth Bryan Owen, the daughter of former Secretary of State William Jennings Bryan, as Minister to Denmark, and in 1937 Florence Jaffray Harriman was appointed Minister to Norway. Career women did not attain ambassadorial rank until after the Second World War. The third woman to enter the Foreign Service, Frances E. Willis, was made Ambassador to Switzerland (1953-57). She later served in Norway and Ceylon. The first woman career diplomat to become an Assistant Secretary of State was Ambassador Carol C. Laise, who became head of the Bureau of Public Affairs in 1973. She later served as Director General of the Foreign Service.

Blacks were similarly under-represented in the work force of the Department. As in the case of women, blacks sometimes served in the lower ranks but rarely became supervisors. The first black appointed to the rank of Minister was Ebenezer D. Bassett, who went to Haiti in 1869. James Milton Turner was made Minister to Liberia in 1871. The best known black abolitionist, Frederick Douglass, became Minister to Haiti and Charge d'Affaires to Santo Domingo in 1889. It became common practice to assign blacks to these countries, but few were sent elsewhere.

The first black to enter the Foreign Service was Clifford R. Wharton (1925), and he was also the first career diplomat of his race to serve as chief of mission, becoming Minister to Romania in 1958 and Ambassador to Norway in 1961. Like the women who entered the Foreign Service during the 1920s, Wharton experienced discrimination. When he decided to take the competitive examination for the Foreign Service, he discovered that his prospective associates "couldn't care less; they didn't want me in the Department of State." His early diplomatic career was spent mostly in posts traditionally reserved for blacks, especially Liberia. Wharton remembers having commented smilingly to a personnel officer after receiving an undesirable assignment in 1946: "You're not only discriminating against us [with] in the Service, but you're exporting discrimination abroad. . . ."



Frances E. Willis was the first woman Foreign Service officer to be appointed a U.S. Ambassador (Switzerland, 1953-57), the first to attain the rank of Career Minister, and the only one to be named Career Ambassador. She served as Ambassador to Norway (1957-61) and to Ceylon (1961-64).

(Department of State photo)



Clifton R. Wharton was a clerk in the Consular Commercial Office when he took the first Foreign Service examination (1925). He became Third Secretary at the U.S. Embassy in Liberia and later was Minister to Romania (1958) and Ambassador to Norway (1961). He was the first black Foreign Service officer and the first to serve as Chief of Mission to a European country.

(Department of State photo)



T. Rowan, with his family, signs his mission as Ambassador to Finland in 1961. He also served as Deputy Assistant Secretary of State for Public Affairs (1961-65) and Director of the U.S. Information Agency (1964-65). (Department of State photo)

Hispanics have served in the Department of State since 1820, when Joseph M. Espada of New York became a consular agent in Mexico, but women and blacks they have been underrepresented up to the present. Ramón Leon Sánchez of Florida was the U.S. consul at Cartagena, Colombia, in 1840. An Hispanic, James S. Sca of California, and his son, James Viosca, Jr., served successively as consuls at La Paz, Mexico, from 1871 to 1906.

The first Hispanic chief of mission was Romualdo Pacheco of California, who became Minister to a group of Central American states in 1890. No other Hispanic achieved comparable rank until William E. Consuecos of California became Minister to Cuba in 1913 and to Peru in 1919. Twenty others have since served as chief of mission, four of whom were career Foreign Service officers. Horacio Rivero, Jr., of California was the first Hispanic to be named chief of mission to a European country—Spain in 1972. Mari-Luci Amillo was the first Hispanic woman to become chief of mission, going to Honduras as Ambassador in 1977.

Patterns of prejudice and discrimination, prevalent elsewhere as well as in the Department of State, have attracted extensive critical attention during the 1960s, and instant attempts have been made in

recent years to insure equal opportunity through the workings of energetic affirmative action programs. During the 1970s Secretaries of State William P. Rogers, Henry A. Kissinger, and Cyrus R. Vance all devoted considerable attention to this effort.

One of Secretary Vance's earliest acts was to issue a statement to the Department in which he announced his intention to "exercise personal leadership in prohibiting discrimination because of race, color, religion, sex, national origin, age, or handicap . . . [and] in carrying out a continuing affirmative action program designed to promote equal opportunity for all applicants and all employees."

True to his pledge, Secretary Vance appointed an executive-level task force to spur affirmative action, but much remains to be accomplished before the Department achieves the goals established by recent Secretaries. Presumably there should be a reasonable relationship between the incidence of racial and ethnic groups in the general population and their representation in the Department of State. A look at the profile of the Foreign Service reveals great disparities. Women constitute slightly more than half of the general population but only 10.2% of the Foreign Service. About 12% of the population is black, but blacks constitute only 3.5% of the Foreign Service. His-

panics make up more than 5% of the population, but they are a minuscule 1.5% of the Foreign Service.

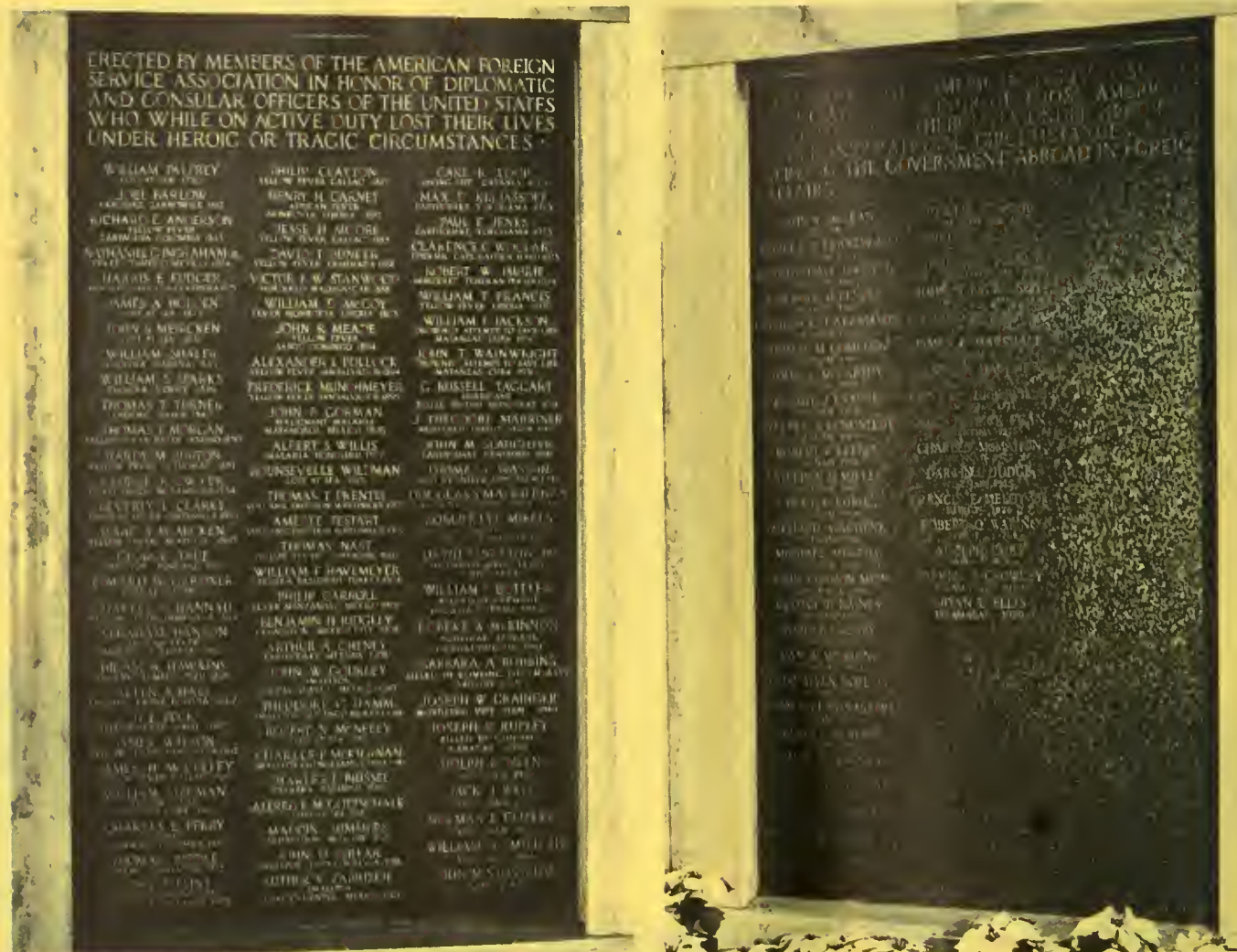
No development of recent years has been more troubling than the rise of terrorism as a political weapon aimed at Americans representing their country abroad. Numerous attacks on American posts overseas and frequent kidnappings and killings of Americans have occurred in recent years, adding a tragically large number of names to the list of those who have given their lives in the line of duty. In August 1968, Ambassador John Gordon Mein was assassinated in Guatemala, the first chief of mission to be murdered in the line of duty. Since then other Ambassadors have been killed in Sudan, Cyprus, Lebanon, and Afghanistan. Kidnappings have occurred in places as widely separated as Zaire, Brazil, and Jordan.

The most serious of all such episodes was the seizure of the American Embassy in Tehran on November 4, 1979, and the subsequent detention of more than 50 hostages. This event brought home to the American people once again the extreme dangers that the Foreign Service must face in many assignments outside the country. The steadfast courage of the American hostages in Tehran and their families at home reflected the best traditions of the Department of State and the other agencies represented among the hostages.



An aerial view of the U.S. Embassy compound in Tehran prior to its seizure and occupation in November 1979. (Department of State photo)

In the Line of Duty



Diplomatic service is not normally considered a hazardous profession. Nevertheless over 100 Americans have died or been killed while on active duty with the Foreign Service. Some fell victim to tropical disease, earthquakes, or volcanic eruptions; many others died a hero's death in the midst of war, while saving lives, or at the hands of assassins.

To honor those who lost their lives "under heroic or tragic circumstances," the American Foreign Service Association in 1933 dedicated a plaque. Among the names . . .

William Palfrey, lost at sea, 1780
Abraham Hanson, African fever, Liberia, 1866
John F. Flint, drowned saving life, El Salvador, 1875

Victor F. W. Stanwood, murdered, Madagascar, 1888
Maddin Summers, exhaustion, Moscow, 1918
Douglass MacKiernan, killed by gunfire, Tibet, 1950
Barbara A. Robbins, killed in bombing of Embassy, Vietnam, 1965

That plaque, and a second one unveiled in 1973, are in the diplomatic lobby of the Department of State. In recent years, the names of those who have died of disease contracted at tropical posts have not been added. Yet the list continues to grow . . .

Ambassador John Gordon Mein, assassinated, Guatemala, 1968
John Paul Vann, killed in a helicopter in a night battle, Vietnam, 1972

Ambassador Cleo A. Noel, Jr., and George Curtis Moore, murdered while held hostage, Sudan, 1973
John S. Patterson, murdered while held by kidnappers, Mexico, 1974
Ambassador Rodger P. Davies, killed by sniper fire during mob attack on Embassy, Cyprus, 1974
Ambassador Francis E. Meloy, Jr., and Counselor Robert O. Waring, murdered en route to an appointment with the President-elect, Lebanon, 1976
Ambassador Adolph Dubs, killed while being held hostage, Afghanistan, 1979
CWO Bryan L. Ellis (U.S. Army) and Cpl. Stephen J. Crowley (USMC), killed during an attempted mob takeover of the Embassy, Pakistan, 1979.



Secretary of State Cyrus R. Vance joins members of the Iran Working Group in the Department's Operations Center following the seizure of the U.S. Embassy in Tehran. (Department of State photo)



Charge d'Affaires L. Bruce Laingen (right) presents a valor award for "outstanding performance and bravery . . . in support of U.S. interests and citizens, December 1978 to February 1979" to Foreign Service officer Michael Metrisko in July 1979 in Tehran. Laingen and Metrisko are among the Americans held hostage in Iran as of publication date. (Department of State photo)

After two centuries the Department of State—its offices and its people—comprises one of the world's nerve centers of human affairs. During the earliest days of the Republic, it made indispensable contributions to the preservation of our independence. Throughout the 19th century, as the United States changed gradually into a great power, the Department loyally supported the foreign policies associated with isolation, neutrality, and expansion. Across the 20th century, as Americans came to accept the responsibilities of leadership, the Department, like the nation it serves, has experienced remarkable growth in size, influence, and function.

Every era has its agenda of challenge, danger, and opportunity. Entering its third century, the Department of State must struggle with the problems of nuclear weapons, population explosion, depletion of natural resources, and the seemingly unmanageable acceleration of technological, social, and political change.

For two centuries the men and women of the Department have chosen this form of public service because they are deeply committed to the search for solutions to the problems of tomorrow. Throughout the world they daily face the threat of disease,

terrorism, war, kidnapping, and death. Along with these hazards come the normal demands of day-to-day problemsolving, decisionmaking, and coping with life at home or abroad. All things considered the people of the United States have been well served.

David F. Trask was born in Erie, Pennsylvania, in 1929. He received a B.A. degree from Wesleyan University (1951) and A.M. and Ph.D. degrees from Harvard in 1952 and 1958. He served in the U.S. Army (1952-54) and from 1955 to 1966 was an instructor or assistant professor at Boston University, Wesleyan University, and the University of Nebraska. Dr. Trask was professor of history at the State University of New York from 1966 until May 1976, when he became Historian of the Department of State.

Dr. Trask is a member of the American Historical Association, the Organization of American Historians, the Society for Historians of American Foreign Relations, the National Council on Public History, and Phi Beta Kappa. He is also the Department of State's representative on the National Historical Publications and Records Commission.

His major publications are *The United States in the Supreme War Council: American War Aims and Inter-Allied Strategy, 1917-1918* (1961), *General Tasker Howard Bliss and the "Sessions of the World," 1919* (1966), *Victory Without Peace: American Foreign Relations in the 20th Century* (1968), *World War I at Home* (1970), *Captains and Cabinets: Anglo-American Naval Relations, 1917-1918* (1972). He is the co-author of *The Ordeal of World Power* (1975) and the coeditor of *A Bibliography of United States-Latin American Relations Since 1810* (1970).

Department Personnel 1781-1980

	Domestic	Overseas	Total
1781	4	10	14
1790	8	20	28
1800	10	62	72
1810	9	56	65
1820	16	95	111
1830	23	153	176
1840	38	170	208
1850	22	218	240
1860	42	281	323
1870	65	804	869
1880	80	977	1,057
1890	76	1,105	1,181
1900	91	1,137	1,228
1910	234	1,043	1,277
1920	708	514	1,222
1930	714	633	1,347
1940	1,128	840	1,968
1950	8,609	7,710	16,319
1960	7,116	6,178	13,294
1970	6,983	5,865	12,848
1980	8,433	5,861	13,962

NOTES: Domestic personnel includes both Civil Service and Foreign Service.
Overseas personnel includes Foreign Service only.

This history depends heavily on the authorities who have written about the U.S. Department of State. The best histories of the Department are Gaillard Hunt, *The Department of State of the United States: Its History and Functions* (New Haven, 1914) and Graham H. Stuart, *The Department of State: A History of Its Organization, Procedure and Personnel* (New York, 1949). The two best works on the Foreign Service are William Barnes and John Heath Morgan, *The Foreign Service of the United States: Origins, Development and Functions* (Washington, 1961) and Warren F. Ilchman, *Professional Diplomacy in the United States 1779-1939: A Study in Administrative History* (Chicago, 1961).

For information about the Secretaries of State consult the multi-volume series edited by Samuel Flinders Bemis and Robert F. Ferrell, *The American Secretaries of State and Their Diplomacy* (New York, 1927-); Norman A. Graebner, ed., *An Uncertain Tradition: American Secretaries of State in the Twentieth Century* (New York, 1961); Alexander DeConde, *The American Secretary of State: An Interpretation* (New York, 1962). For a useful reference work see John E. Findlin, *Dictionary of American Diplomatic History* (Westport, 1980). For examples of recent specialized scholarship see Waldo H. Heinrichs, Jr., "Bureaucracy and Professionalism in the Development of American Career Diplomacy," in John Braeman et al., *Twentieth-Century American Foreign Policy* (Columbus, 1971); Richard Werking, *The Master Architects: Building the United States Foreign Service 1890-1913* (Lexington, 1971); Rachel West, *The Department of State on the Eve of the First World War* (Athens, 1978); Robert D. Schulzinger, *The Making of the Diplomatic Mind: The Training, Outlook, and Style of United States Foreign Service Officers, 1908-1931* (Middletown, 1975).

Other references published by the Department of State are *The Secretaries of State: Portraits and Biographical Sketches, Homes of the Department of State, 1774-1976*, and *United States Chiefs of Mission, 1778-1973* and its supplement for 1973-74. ■

Secretaries for Foreign Affairs



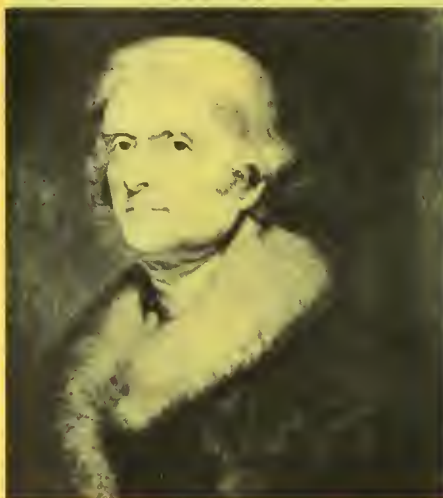
Robert R. Livingston
1781-83



John Jay
1784-90

Secretaries State

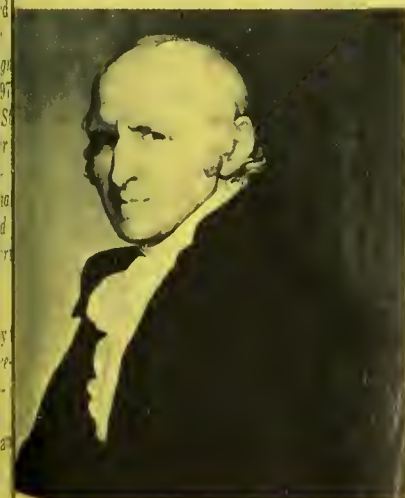
NOTE: Daniel Webster and James Blaine were each appointed to nonconsecutive terms as Secretary of State. Therefore, they are counted twice on this list.



1. Thomas Jefferson
1790-93



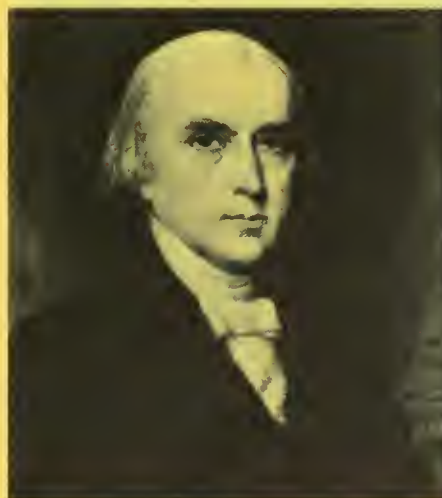
2. Edmund Randolph
1794-95



Timothy Pickering
1795-1800



4. John Marshall
1800-01



5. James Madison
1801-09



6. Robert Smith
1809-11



7. James Monroe
1811-17



8. John Quincy Adams
1817-25



9. Henry Clay
1825-29



10. Martin Van Buren
1829-31



11. Edward Livingston
1831-33



12. Louis McLane
1833-34



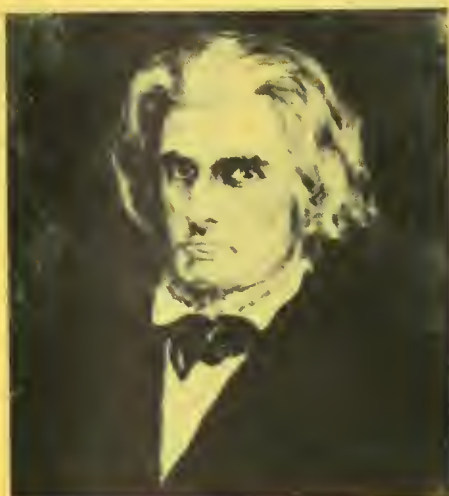
13. John Forsyth
1834-41



14. Daniel Webster
1841-43



Abel Parker Upshur
1843-44



16. John Caldwell Calhoun
1844-45



17. James Buchanan
1845-49



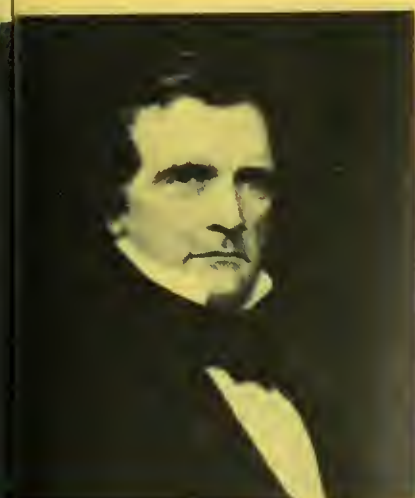
John Middleton Clayton
1849-50



19. Daniel Webster
1850-52



20. Edward Everett
1852-53



William Learned Marcy
1853-57



22. Lewis Cass
1857-60



23. Jeremiah Sullivan Black
1860-61



24. William Henry Seward
1861-69



25. Elihu Benjamin Washburne
1869



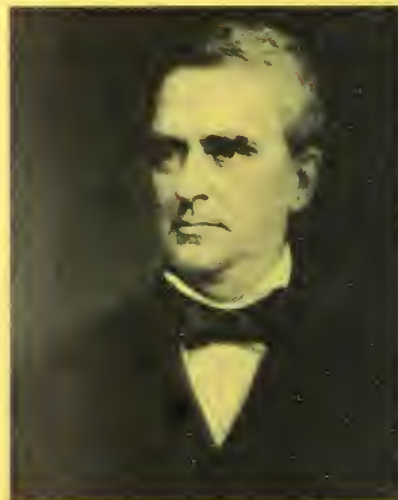
26. Hamilton Fish
1869-77



27. William Maxwell Evarts
1877-81



28. James Gillespie Blaine
1881



29. Frederick Theodore
Frelinghuysen 1881-85



30. Thomas Francis Bayard
1885-89



31. James Gillespie Blaine
1889-92



32. John Watson Foster
1892-93



Walter Quintin Gresham
1893-95



34. Richard Olney
1895-97



35. John Sherman
1897-98



William Rufus Day
1898



37. John Hay
1898-1905



38. Elihu Root
1905-09



Robert Bacon
1909



40. Philander Chase Knox
1909-13



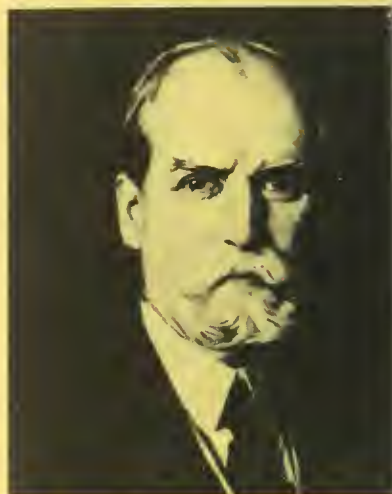
41. William Jennings Bryan
1913-15



42. Robert Lansing
1915-20



43. Bainbridge Colby
1920-21



44. Charles Evans Hughes
1921-25



45. Frank Billings Kellogg
1925-29



46. Henry Lewis Stimson
1929-33



47. Cordell Hull
1933-44



48. Edward Reilly Stettinius, Jr.
1944-45



49. James Francis Byrnes
1945-47



50. George Catlett Marshall
1947-49



Dean Gooderham Acheson
1949-53



52. John Foster Dulles
1953-59



53. Christian Archibald Herter
1959-61



Dean Rusk
1961-69



55. William Pierce Rogers
1969-73



56. Henry Alfred Kissinger
1973-77



Cyrus Roberts Vance
1977-80



58. Edmund Sixtus Muskie
1980-81

Alexander Meigs Haig, Jr., was designated Secretary of State on December 16, 1980, by President-elect Reagan.

59. Alexander Meigs Haig, Jr.
1981

Milestones of American Diplomacy

1778

Treaty of alliance with France, engineered by Benjamin Franklin, enabled the fledgling republic to continue its struggle for independence.

1783

Treaty of Paris—Great Britain recognized American independence and control over western lands as far as the Mississippi.

1783–86

First U.S. treaties of friendship and commerce—with France, Great Britain, Netherlands, Prussia, and Sweden—established U.S. tradition of nondiscrimination in foreign trade.

1795

Jay's treaty required Great Britain to remove troops from northwestern frontier; Pinckney's treaty with Spain opened mouth of Mississippi River to U.S. navigation.

1800

Treaty of Mortefontaine settled the 2-year undeclared naval war with France and put an end to the alliance.

1801

Jefferson, in first inaugural address, summarized U.S. policy as "peace, commerce, and honest friendship with all nations, entangling alliances with none."

1803

Louisiana Purchase removed foreign control of Mississippi's mouth and doubled U.S. territory.

1814

Treaty of Ghent ending War of 1812 provided means to settle remaining territorial disputes with Great Britain.

1819

Adams-Onís treaty with Spain, transferring Florida, extended the U.S. to present boundaries in southeast.

1823

Monroe Doctrine established U.S. policy of opposing European intervention or new colonization in Western Hemisphere.

1842

Webster-Ashburton treaty with Great Britain delimited northeastern U.S. (Maine) boundary.

1844

Treaty of Wang-hsia, first U.S.-China agreement, granted U.S. commercial privileges and extraterritorial jurisdiction over Americans.

1846

Oregon treaty with Great Britain extended U.S. sole dominion to the Pacific.

1848

Treaty of Guadalupe-Hidalgo, ending 1846–48 war with Mexico, confirmed claim to Texas and completed U.S. expansion to Pacific.

1858

Harris treaty first opened Japan to supervised foreign commerce.

1867

Alaska purchase ended Russian territorial presence and completed U.S. extension on North American mainland.

1889

First International American Congress initiated system of collaboration among Western Hemisphere republics.

1898

Treaty of Paris, at end of Spanish-American War, gave United States Puerto Rico, Guam, and Philippines, expanding U.S. power into the Pacific.

1903

Hay-Bunau-Varilla treaty conveyed the U.S. the Panama Canal Zone.

1918

Allies and Germany accepted Wilson points as basis for just and lasting peace ending World War I.

1920

U.S. Senate rejected Treaty of Versailles with Germany, thus keeping the U.S. out of the League of Nations.

the Reciprocity Information Act launched program of reciprocal tariff reduction leading to increased efforts for trade liberalization after World War II.

Atlantic Charter, joint declaration by President Roosevelt and Prime Minister Winston Churchill 4 months before U.S. entered World War II, laid down principles of self-determination, economic cooperation, progress, and disarmament.

and 50 other countries founded the United Nations.

and 22 other nations established the General Agreement on Tariffs and Trade (GATT) and completed first round of talks reducing world trade barriers.

the Truman Doctrine asserted U.S. policy of containing Soviet expansion through economic and military aid to threatened countries.

the Rio American Treaty of Reciprocity Information (Rio treaty) committed the U.S. to assist Latin American republics to aid one another to resist military aggression.

the Marshall plan of aid to Europe set foundation for economic cooperation among Western European democracies.

the Inter-American Conference of American States created the Organization of American States (OAS) to intensify U.S. Latin American collaboration in all fields.

1949

NATO, first U.S. alliance concluded in peacetime, provided integrated force for defense of Western Europe and North America.

1950

U.N. General Assembly Uniting for Peace Resolution, presented by the U.S., gave basis for common action against aggressor in Korea.

1963

Limited Nuclear Test Ban Treaty, first major-power agreement regulating atomic weapons testing, banned explosions in the atmosphere, in outer space, and under water.

1967

Non-Proliferation Treaty, now signed by 110 governments, banned spread of atomic weapons.

1972

Strategic Arms Limitation Talks (SALT) agreements with U.S.S.R. prescribed mutual limitations on defensive and offensive weapons and established SALT as a continuing process.

1972

President Nixon's February visit to China followed Secretary Kissinger's earlier negotiations in Peking, marking first important step in process of normalizing relations with the People's Republic of China.

1973

Paris agreement provided for withdrawal of U.S. troops from Vietnam.

1974-75

Middle East consultations by Secretary of State Kissinger facilitated military disengagement in Arab-Israeli conflict and prepared ground for peace talks between Israel and Egypt.

1979

U.S. established diplomatic relations with the People's Republic of China ending 30 years of nonrecognition.

1979

Israel-Egypt peace treaty ended 30 years of conflict between the two countries and provided possible framework for comprehensive peace in Middle East.

1979

Panama Canal Act returned Canal Zone to Panamanian jurisdiction, leaving canal under U.S. operation through 1999.

1980

Consular convention and three economic agreements completed process of normalizing relations with the People's Republic of China.

Human Rights and International Law

by Patricia M. Derian

Statement based on an address prepared for the National Association of Women Judges in Washington, D.C., on October 3, 1980. Ms. Derian is Assistant Secretary for Human Rights and Humanitarian Affairs.

It is rare in government to find that one's work immerses one in ideas and concepts which, over time, can have a profound and lasting impact on the course of our country's future. But that has been my lot for the past 3½ years as I and others have sought to integrate the international concern for human rights into our relations and policies with other nations.

That effort—making human rights a central part of U.S. foreign policy—is perhaps the most innovative approach that the United States has ever taken in this area. It is an attempt to express our commitment to the protection and enhancement of human dignity throughout the world. It is a reflection of the values and traditions that have long been the hallmark of our country. With human rights as a major component of our foreign policy, the United States has made a sustained commitment to a world free from governmental violations of the integrity of the person; a world free from want of food, shelter, health care, and education; a world free to enjoy civil and political liberties.

While the philosophical content of our human rights policy may seem largely ethical, ideological, or political, what is often poorly understood is the major role that law has played in establishing a framework in which human rights and human decency can be promoted and furthered.

I have noted with some curiosity that, over the past few years, many people who should know better have been surprised to learn that there is an emerging, growing, and, indeed, vigorous body of international law of human rights. This lack of awareness may well be explained by the fact that there is no formal international judicial system in which human rights laws are regularly adjudicated. The lack of such a

system has made difficult a general apprehension that international human rights law imposes substantial obligations on all governments.

Multilateral Treaties

While human rights law has not had the advantage of such a judicial system, which would aid in the development of a cohesive and coherent body of law, a law of human rights has, nonetheless, developed. Broadly, it has emerged as a result of international treaties; international customary law and practice; and domestic laws, regulations, and court decisions evidencing international custom or acceptance of general principles.

Of these, among the most important are the U.N. Charter and numerous international treaties and other instruments developed in an effort to promote respect for human rights.

The U.N. Charter is probably the first and certainly the most important treaty to recognize human rights and fundamental freedoms of individual human beings as matters of legitimate concern to the entire world community. As set forth in Article 1 (3) of the charter, the purpose of the United Nations, among other things, is "to achieve international co-operation in solving international problems of an economic, social, cultural, or humanitarian character, and in promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion." Article 55 states that the United Nations shall promote "universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion," while under Article 56 "all Members pledge themselves to take joint and separate action in co-operation with the [United Nations] for the achievement of the purposes set forth in Article 55."

Shortly after the founding of the United Nations, the idea of an international bill of human rights was advanced. The first step was taken on December 10, 1948, when the U.N. General Assembly adopted and proclaimed the Universal Declaration of

w from postwar history that such gations have sometimes preceded itary intervention.

The United States continues to eve that the Polish people and au- rities should be free to work out ir internal difficulties without out- e interference. The United States, well as some Western governments, also the Soviet Union, have lged economic assistance to Poland rder to alleviate internal Polish iculties. The United States has no erest in exploiting, in any fashion, Polish difficulties for its political s.

Foreign military intervention in and would have the most negative sequences for East-West relations general and U.S.-Soviet relations in ticular. The Charter of the United tions establishes the right of all tes, both large and small, to exist e of foreign interference, regard- s of ideology, alliances, or geo- phic location. I want all countries now that the attitude and future icies of the United States toward Soviet Union would be directly and y adversely affected by any Soviet of force in Poland.

¹ Text from White House press ase. ■

WHITE HOUSE STATEMENT, C. 7, 1980²

eparations for possible Soviet ervention in Poland appear to have en completed. It is our hope that no h intervention will take place. The S. Government reiterates its state- nt of December 3 regarding the y adverse consequences for U.S.- viet relations of Soviet military ervention in Poland.

² Text from Weekly Compilation of c. 15. ■

Human Rights. The purpose of the declaration is to be "... a common standard of achievement for all peoples and all nations, to the end that every individual and every organ of society, keeping this Declaration constantly in mind, shall strive by teaching and education to promote respect for these rights and freedoms. . . ."

While adopted by the U.N. General Assembly, the declaration lacks the binding force of a treaty. It has, nonetheless, proved to be a frequently invoked explanation of the scope of the human rights and fundamental freedoms recognized by treaty—that is, by the U.N. Charter. It has also been contributing year by year to the development of a customary international law of human rights.

After adopting the declaration, the United Nations drafted, adopted, and opened for signature two major international covenants on human rights—one covering civil and political rights with an optional protocol; the other economic, social, and cultural rights. These three instruments complete the international bill of human rights begun with the Universal Declaration, providing legal as well as moral force to international human rights. All have now entered into force. The two covenants have been signed but not yet ratified by the United States, inasmuch as the Senate is still considering the President's recommendation to the Senate for its advice and consent.

It has been one of my greatest personal frustrations that, despite the Carter Administration's commitment, the work of many nongovernmental organizations and legal societies, and my own efforts, the Senate has still not voted in favor of ratifying either of these extremely important instruments. They are cornerstones of the law of international human rights. Our failure to ratify these treaties, obviously, makes it more difficult for us to argue persuasively for the need to adhere to universal standards of human rights.

Because of their importance to human rights law, I would urge you to acquaint yourself with the two covenants and other pertinent human rights instruments. The State Department has prepared a compendium of selected human rights documents. Your efforts to support and seek the approval of these two covenants would be a major contribution in advancing the law of human rights.

The charter and the two covenants are by no means the only multilateral effort at promoting human rights. There are over 20 treaties now in place and they include, *inter alia*: the Convention on the Prevention and Punishment of the Crime of Genocide, the International Convention on the Elimination of All Forms of Racial Discrimination, the Convention concerning the Abolition of Forced Labor, the American Convention on Human Rights, the Convention Relating to the Status of Refugees, the Convention on the Reduction of Statelessness, and numerous treaties for the promotion and advancement of women. Of these there are the Convention on the Political Rights of Women, the Convention on the Nationality of Married Women, and the recent Convention on the Elimination of All Forms of Discrimination Against Women, which the United States signed in Copenhagen this past summer. All of these conventions create binding legal obligations on the parties to them. Currently being drafted at the United Nations is a treaty to strengthen legal guarantees against, and procedures to eliminate torture, a practice already forbidden by customary international law.

Regional Arrangements

It is not only on the global level that efforts to promote human rights take place; by and large, some of the most innovative attempts have occurred on regional levels. Indeed, it may well be that regional arrangements will most rapidly advance the commitment to human rights by all nations.

Perhaps the most highly developed regional achievement is the European Convention for the Protection of Human Rights and Fundamental Freedoms. The European convention established a commission and a court for

handling both state and individual complaints. The members of the Organization of American States have promulgated the American Convention on Human Rights, which also includes both a commission and a court. Thus for the first time in our history, a human rights court has been established in the Americas, headquartered in San Jose, Costa Rica. The League of Arab States has set up a Permanent Arab Commission on Human Rights. The Organization of African Unity is reviewing a draft of an African charter on human rights and the possibility of establishing a commission on human rights for Africa. Under the Helsinki Final Act of 1975, Western European, United States, Canada, and Eastern European—35 nations—agreed upon a set of principles to reduce tensions and political conflicts in Europe, including among them "respect for human rights and fundamental freedoms." With the exception of the Helsinki Final Act, which was made expressly nonbinding, each of these regional initiatives creates or contemplates creating legal obligations.

In some instances individuals are able to assert their human rights in courts or other appropriate forums. For example, the European Convention on Human Rights and the Optional Protocol to the Covenant on Civil and Political Rights establish specific procedures for the bringing of complaints by private individuals where the nation concerned has agreed to such a procedure. So, too, does the racial discrimination convention and the American Convention on Human Rights.

Role of Domestic Courts

Again internationally recognized human rights may be adjudicated by domestic courts in some jurisdictions. A case in point is the recent *Pena Ira*, which was initially heard in the U.S. Eastern District Court of New York. The case involved a tort claim brought by the father and sister of a teenage Paraguayan who was allegedly tortured to death in Asuncion by the defendant *Pena-Irala*, a Paraguayan

ce officer who was found and served New York. The suit was brought pursuant to a 1789 law, now codified as U.S.C. section 1350. Section 1350 was an alien to sue in Federal District Courts for a tort in violation of law of nations or treaties of the United States.

Thus a threshold question confronting the court was whether torture violation of the law of nations in sense of section 1350. If not, the court would lack jurisdiction to hear the case.

The district court considered itself bound, by views in earlier cases decided by the Second Circuit Court of Appeals, to reject jurisdiction. Those cases appeared to exclude from the purview of the law of nations wrongs inflicted by a state on its own nationals.

On appeal, the second circuit sought an opinion from the State Department. The State Department declined, and the Department of Justice filed a brief showing that the international law of human rights today does not extend to a wrong by a state against its own citizens and that torture is such a universally recognized wrong. The court of appeals adopted this view and remanded the case to district court.

Some international treaties, such as the Genocide Convention, provide for the prosecution of individuals who have allegedly violated the human rights of others.

Frequently, the provisions of a particular human rights treaty are incorporated into the domestic law of a state in such a manner that it can be invoked directly by individuals. In the United States, once a treaty is ratified, it automatically becomes a part of the domestic law; in others, additional implementing legislation is required. Needless to say, these are not merely technical concerns. Domestic courts in the United States are, at times, faced with the question of whether a human rights treaty is self-executing, thus admitting the benefits of the treaty to be applied directly to a litigant. I should note that in transmitting four human rights treaties to the Senate in February 1978, President Carter recommended that the United States declare that they are not self-executing.

During the early 1970s numerous suits were brought in domestic courts in an effort to "prevent the U.S. Government and other U.S. interests from aiding the forces of racial repression in southern Africa." While the suits did not succeed, they were of the utmost importance in raising the consciousness of lawyers, judges, government officials, and the general public to the existence of human rights law and its potential application in domestic courts.

While there is, in my view, a clearly recognizable code of human rights law binding on states and applicable to individuals, the major flaw in the development of human rights law is one of enforcement. The implementation of human rights law largely depends on the consent of nations. The competence of various international courts to render a judgment against a nation which has violated its human rights obligations rests on that nation's consent to the court's jurisdiction. However, even if that consent is forthcoming, an adverse judgment against a consenting nation may or may not be effectively enforced. Where a court may, as is the case of the International Court of Justice, render advisory opinions, those opinions, while deserving great respect, are, by definition, not binding, unless by virtue of some special agreement.

Currently, the implementation and enforcement of human rights law are largely dependent on voluntary compliance, moral pressures, and other forms of influence. Ideally, and perhaps with time, there will emerge a viable court system with the International Court of Justice as the final court of appeal. Already many of the regional arrangements for the promotion and protection of human rights have established some form of juridical mechanism for lodging complaints.

What I have sought to do here today is to show in a rather brief form that human rights is something more than a controversial, ideological, or political concept. Human rights is law and, as such, when a nation violates individual human rights, it is violating international law. The efforts of the U.S. Government to make human rights a central part of our foreign policy is, in effect, an effort to incorporate within our foreign policy the

international law which establishes standards of human decency and human dignity. In that human rights is something beyond an ethical, ideological, or political concept and is also very much a legal concept.

The question I am often asked is: "What is the future of the U.S. human rights policy under a different Administration?" I say that if human rights is international law, and I believe that it is, there can be no other course for the U.S. Government but to apply and enforce that law.

What I have attempted to do here today is to provide a better understanding of the role that the law plays in enhancing human rights. The concept of human rights is a concept of world order. It is a proposal for structuring the world so that every individual's human worth is realized, every individual's human dignity is protected. The purpose of laws is to create a meaningful, rational, and just framework in which the pursuit of personal and societal enjoyment can take place. This thought has never been expressed better than in the preamble to the Universal Declaration of Human Rights. The drafters of the declaration clearly understood the important role that law must play if the goal of respect for universal human rights is ever to be realized. They wrote:

... it is essential, if man is not to be compelled to have recourse, as a last resort, to rebellion against tyranny and oppression, that human rights should be protected by the rule of law. ■

U.S.-Israel Oil Agreement

In a ceremony at the White House on October 17, 1980, President Carter and Israeli Minister Yitzhak Modai signed the Contingency Implementing Arrangements for the June 22, 1979, Memorandum of Agreement between Israel and the United States.

Following are remarks made by the President and Minister Modai on that occasion, texts of the agreement and the June 22, 1979, Memorandum of Agreement, with annex, and a Department fact sheet.

REMARKS AT SIGNING CEREMONY¹

President Carter

I'm very pleased to announce this morning the completion of our contingency arrangements for assuring Israel's oil-supply security.

These arrangements further fulfill a promise that I made last year in connection with Israel's withdrawal from the Gulf of Suez oil fields and its conclusion of the treaty of peace with Egypt. In making peace, Israel committed itself to dependence solely on imported oil—a very bold and courageous and generous decision in this troubled time. At the time of Israel's withdrawal, in 1975, from a portion of the Egyptian Sinai, the United States gave assurance that Israel would count on our help and could depend on us if it could not attain oil during its own efforts.

We renewed and extended this duration of the assurance in June of 1979, so that the establishment of peace with Egypt would not lessen Israel's long-range energy security. Now we have spelled out the emergency conditions under which the 1979 oil-supply agreement may be activated. This contingency plan is a carefully defined understanding between friends, designed to insure that all relevant concerns are taken into account. Both our nations hope this agreement will never have to be activated, but if it should become necessary, the United States will be a steadfast and dependable friend of Israel.

This agreement is one aspect of what I hope will be a broad range of

cooperation in strengthening Israel's energy security. We're exploring now how we might work together further on research and development and for new energy technologies, especially shale oil extraction and the use of solar power for energy.

Our cooperation in energy and in other fields is for the cause of peace. It is against no nation. It is for the people who yearn for a secure future. It is in this spirit that I congratulate the negotiators of the oil supply understandings and invite now Secretary Muskie, representing the United States of America, and Minister Modai, representing the great nation of Israel, to proceed with the signing of the appropriate documents.

[At this point, Secretary of State Edmund S. Muskie and Israeli Minister of Energy and Infrastructure Yitzhak Modai signed the "Contingency Implementing Arrangements for the Memorandum of Agreement of June 22, 1979 Between Israel and the United States."]

Minister Modai

The peace agreement between Israel and Egypt is probably the most important event, certainly in the Middle East, but probably also in the entire world in this generation.

It came about due to the leadership of Prime Minister Ben-Gurion (Begin)², President Sadat, and through the devoted efforts and active participation of yourself.

The State of Israel, in order to achieve this peace agreement, has made very large sacrifices. A major sacrifice was the relinquishing of the Alma oil field, which we discovered and developed, and this, in addition to giving up the Abu Rudeis oil field as part of the interim agreement in 1975.

Now you and the Congress understood the big risk taken by the State of Israel in giving up its opportunity for oil self-sufficiency and, therefore, an agreement that guarantees oil supply to Israel was signed in June of 1979. Now, that agreement did not contain the specifications of the conditions in which that agreement could have been activated and, therefore, we felt—we in Israel felt—that we need to have a better definition of which are the conditions in which your guarantee will come into effect. After tedious,

long negotiations—over a year—we are finally signing, here today, the specifications under which that agreement will come into effect.

That is certainly the completion of a promise, I may say, of an offer made by you when you were in Israel I believe in February of 1979.

Obviously, nobody can foresee future developments in the next 15—now it's only 14—years, but we are very happy to have a document which is so clear, so detailed, and which relates to such a vital and delicate issue. I would like to thank you, Mr. President, you Mr. Secretary, and your staffs for a job so very well done.

President Carter

I'd like to say to the press that following this ceremony, or perhaps already the details of the agreement will be described. Has that been done yet? It will be done. So, your questions about the detailed agreement will be answered after this meeting.

I would like to say, informally but sincerely, on behalf of the American people, that we are very proud to have this agreement. The proposal was made voluntarily by me, on my own initiative, when I was in Jerusalem the time when we were trying to bring to a conclusion the basic elements of the peace treaty between Israel and Egypt. Israel has taken a courageous step in bringing peace to that entire area by voluntarily giving up control of and the use of these oil wells, some of which they, themselves, discovered and developed.

We anticipate that Israel will continue to receive their oil from present sources, but if those supplies should be interrupted or if exorbitant prices should be imposed upon Israel, above and beyond normal marketing prices as described in this detailed document, then the United States will meet this obligation to our friend, the Government of Israel.

I consider this to be not only an investment in the security of Israel but also a very sound investment in the security of the United States of America. And it's a further demonstration of our unfaltering commitment and steady progress toward this

prehensive peace in the Middle East, which all of us so deeply desire, and upon the security of Israel, in any sense and meaning of that word.

Mr. Minister, thank you very much for your coming here to conclude this document. And I hope you'll send my best wishes to Prime Minister Begin and to all the officials of Israel who've made this progress possible.

TEXT OF AGREEMENT³

CONTINGENCY IMPLEMENTING ARRANGEMENTS FOR THE MEMORANDUM OF AGREEMENT OF JUNE 22, 1979 BETWEEN ISRAEL AND THE UNITED STATES

This agreement is to specify the conditions for the activation of the June 22, 1979, Memorandum of Agreement (MOA) between the United States and Israel on oil supply and the means by which the MOA would be implemented.

2. Pursuant to paragraph 1 of the MOA, Israel may give notification to the United States Department of State (Bureau of Near Eastern and South Asian Affairs). The notification is to include the information Israel deems necessary to substantiate its view that it is unable to secure its needs, or some part thereof, through normal procedures. Supporting documentation is to be provided on request. Consultations between the United States and Israel would then take place as soon as possible, and in no event later than two weeks following notification, to confirm that Israel is unable to supply its requirements by normal procedures. Upon this confirmation, implementation would proceed, and Israel's supply right and allocation right would be established and the United States would make oil available to Israel as soon as practicable after notification. The United States will make every effort to ensure that this period is less than 90 days.

3. Absent a shortfall in the amount of oil physically available to Israel on the world market, the MOA could be activated when Israel:

- (a) is paying for all its imported oil at an average price higher than the average price of the most expensive 20% of crude oil imported into the United States; and
 - (b) has to buy at least 60% of its oil through short-term, indirect purchases.
- The time period for measurement of these factors would be the 90 days preceding notification.

4. If Israel were to lose one of its two existing main sources of long-term supply (or a replacement source providing 22% or more of Israel's oil imports), notwithstanding Israel's reasonable efforts to retain said sources of supply, without immediately replacing it with an equivalent source, the MOA could be activated immediately. Israel's allocation right during activation pursuant to this paragraph would be equal to 120 days of supply from the lost main source, following which the MOA would be deactivated unless the conditions of paragraph 3 have been met. The United States and Israel would seek to measure the factors for an activation under paragraph 3 without including oil which may be made available from the United States pursuant to this paragraph. If this paragraph is activated under section 1(b) of the MOA, Israel's allocation right would be adjusted in accordance with paragraphs 6 and 7 hereof.

5. Israel's shortfall and supply right under section 1(a) of the MOA would be determined by comparing actual and expected deliveries of oil secured through normal procedures with current normal domestic requirements. The allocation right as determined pursuant to the above should include such oil as may be necessary to maintain its reserves at a level of six months of consumption.

6. Under section 1(b), if the IEA General Trigger emergency procedures have not been activated, Israel would sustain from its consumption a reduction in its oil supplies up to a level of 7% in accordance with applicable IEA Selective Trigger Rules. The United States would thereafter meet any shortfall in Israel's normal requirements. Should the IEA General Trigger emergency procedures be activated, the U.S. Government would make oil available for purchase by Israel in accordance with the IEA General Allocation formula. The formula requires:

(a) demand restraint measures which reduce consumption by 7% or 10% depending on the loss of supplies in the IEA area; and

(b) a proportional drawdown of stocks after imposition of the demand restraint measures.

The United States will keep Israel informed of any changes in the IEA emergency measures and procedures relevant to the MOA and any interpretations thereof.

7. Once the General Trigger is activated, demand restraint for Israel would be calculated using the same base period as that used by IEA countries. The Emergency Reserve Drawdown Obligation (ERDO) for Israel would be calculated using the IEA formula as if Israel has the same reserve obligation as a

member nation. The IEA currently requires an emergency reserve commitment for each country equivalent to 90 days of imports for domestic consumption.

On this basis, an ERDO would be calculated for Israel and, in turn, a supply right derived. Israel's allocation right would be calculated by subtracting available supplies from its supply right. The allocation right would determine the amount of oil to be supplied to Israel under the MOA. The initial supply right would be calculated as of the date of notification under the MOA.

8. After activation, United States and Israeli experts would meet every three months, or more often on request, to review Israel's oil supply situation and its attempts to obtain oil and to adjust Israel's allocation right accordingly. Israel's allocation right would be adjusted to the extent oil is available to Israel under normal procedures. Israel would continue to make its best efforts to secure oil independently in such manner as to reduce or eliminate its dependency on oil made available by the United States under the MOA. When Israel's allocation right is reduced or eliminated, the United States would take appropriate measures to adjust or end its arrangements for oil supply to Israel in an orderly fashion.

9. Although the actual sequence and methods of supply would depend on the conditions existing at the time, the United States affirms that, in its current judgment, the following options are the most practical means of supplying oil to Israel pursuant to sections 1(a) and 1(b) of the MOA:

(a) The United States would first try to use its good offices with other nations and with private companies to arrange for alternative foreign sources of supply for sales to Israel. Price and other terms would be worked out between the supplier and Israel.

(b) If option A is not sufficient, the United States could attempt to buy oil on the world market for resale to Israel at cost. The United States would seek the most reasonably priced oil available.

(c) If there is no other more suitable alternative, the United States currently foresees fulfilling its obligations under the MOA by making oil available to Israel through swaps or direct sale of domestically produced oil.

10. In any of these arrangements the United States will, to the extent possible, take into account the types of crude oil most suitable to meet Israel's requirement as well as commercial and logistic considerations. It is recognized that the API mix of the oil supplies could cause slight variations in the total amount of oil required.

11. Under the terms of the MOA,

the price paid for oil supplied by the United States shall be comparable to world market prices current at the time of transfer. Israel will, in any event, reimburse the United States for the costs incurred by the United States in providing oil to Israel hereunder.

If the United States provides domestic oil to Israel, the price charged would be acquisition cost or the replacement cost, whichever is higher. Replacement cost means the actual cost to the U.S. refiners of replacing oil sold to Israel; if this cannot be precisely determined, replacement cost will be considered to be equivalent to the average cost (C.I.F.) to U.S. refiners of the most expensive 10% of similar quality crude oil imported into the United States.

12. The U.S. Government would make all necessary arrangements with appropriate U.S. agencies and relevant suppliers to implement fully the U.S. commitment to make oil available for purchase by Israel.

13. The United States would keep Israel informed of the progress toward making oil available to Israel. The United States would inform Israel of the arrangements it has made as soon as possible with the objective of enabling Israel to have a ship or ships ready to load when and where the oil becomes available.

14. Arrangements would be made for appropriate participation of United States flag carriers in the transportation of oil from the United States under paragraph 9(c) above. If Israel is unable to secure the necessary means to transport to Israel oil made available pursuant to the MOA, the United States Government would make every effort to help Israel secure the necessary means of transport.

15. In the event of war or damage to Israel's refining capacity or storage installations, to adjust for variations of API gravity crude oil, or for other reasons, Israel may require refined petroleum products. In that event, the United States and Israeli Governments would promptly consult as to the means by which Israel might acquire and transport such products.

16. With regard to security arrangements, the United States and Israel will be prepared to take security precautions normal in such circumstances in their own ports for ships controlled by the other. It is assumed that Israel will work out security arrangements with third country officials to the extent that third country ports might be involved in the Israeli supply line.

17. Quarterly or more frequently upon United States request, Israel shall inform the United States of the quantity, quality, price and other relevant conditions of oil imports into Israel, Israel's

U.S. Hostages in Iran

SECRETARY'S STATEMENT
NOV. 3, 1980¹

We have seen, during the past 12 hours, several developments in the hostage issue. These should be viewed as initial steps in a process which will require time, patience, and diplomacy.

Reports from Tehran state that the Ayatollah Khomeini has agreed with the militants that the hostages can be transferred to government control. We believe, as we have said previously, it is in our interest for the government to assume direct responsibility for the well-being and security of the hostages.

We welcome reports that the Algerian Government will be involved. Deputy Secretary [Warren] Christopher has met with the Algerian ambassador and discussed their role in connection with the actions of the Iranian Parliament.

Finally, the reports from Tehran that the Prime Minister's office has established a working group in connection with implementation of the Parliament's decision are also welcome.

The President said yesterday that we cannot predict when the hostages will be home with us. We have affirmed that any decisions we make will be consistent with two fundamental objectives stated by the President—a solution must protect our national honor and vital interests and insure the safe return of the hostages.

There has been progress; however, much remains to be done. We will continue to pursue our goals with patience, diligence, and determination. Americans are united in their desire to see their fellow citizens come home safely with honor and with pride in their nation.

¹ Copies made available to news correspondents by Department spokesman John Trattner. ■

requirement for the preceding 3-month period and its forecast for imports and requirements for the next 6-month period.

18. United States and Israeli experts will meet annually or more frequently at the request of either party to review Israel's oil situation in light of prevailing market conditions and to review and, if

necessary, further develop or modify these contingency implementing arrangements by mutual agreement.

19. These arrangements shall be subject to and interpreted and applied in accordance with the MOA, including paragraph 4 thereof.

20. These arrangements shall apply for an initial period of five years and shall continue to apply for additional periods of three years for the duration of the MOA, unless suspended by either party at the expiry of any period upon written notice at least 6 months prior thereto.

Suspension of these arrangements shall in no way affect the continued validity of the MOA. In the event of suspension, both parties will make every effort to reach renewed agreement on contingency implementing arrangements.

DONE in duplicate, at Washington this seventeenth day of October, 1980.

FOR THE GOVERNMENT OF
ISRAEL:

YITZHAK MODAI

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA:

EDMUND S. MUSKIE

MEMORANDUM OF AGREEMENT

TEXT OF MEMORANDUM OF
AGREEMENT BETWEEN THE
GOVERNMENT OF ISRAEL AND
THE UNITED STATES,
JUNE 22, 1979

Pursuant to the Memorandum of Agreement between the Governments of the United States and Israel signed March 26, 1979, Israel and the United States have entered into the Oil Supply Arrangement set forth herein as follows:

1. Israel will make its own independent arrangements for oil supply to meet its requirements through normal procedures. In the event Israel is unable to secure its needs in this way, the United States Government, upon notification of this fact by the Government of Israel, will act as follows:

(a) If the oil Israel needs to meet all its normal domestic requirements is unavailable for purchase in circumstances where no quantitative restrictions exist on the ability of the United States to procure oil to meet its normal requirements, the United States Government will promptly make oil available for purchase by Israel to meet the shortfall in the aforementioned normal requirements of Israel. Oil will be made available to Israel as soon as practicable and

ication; the United States will make every effort to ensure this period is less than 60 days.

(b) If the oil Israel needs to meet its normal requirements for domestic consumption is unavailable for a period of 120 days in circumstances where quantitative restrictions through embargo or otherwise also prevent the United States from procuring oil to meet its normal requirements, the United States Government will promptly make oil available for purchase by Israel in accordance with the International Energy Agency notification and allocation formula as agreed by the United States Government, in order to meet the shortfall in Israel's normal requirements. Oil will be made available to Israel as soon as practicable after notification; the United States will make every effort to ensure this period is less than 60 days.

(c) If Israel is unable to secure the necessary means to transport to Israel oil that is available pursuant to this Agreement, the United States Government will make every effort to help Israel secure necessary means of transport.

2. Prices paid by Israel for oil provided by the United States hereunder shall be comparable to world market prices current at the time of transfer. Israel will, in any event, reimburse the United States for the costs incurred by the United States in providing oil to Israel hereunder.

3. Israeli and United States experts shall meet annually or more frequently at the request of either party, to review Israel's continuing oil requirement and to develop and review any necessary contingency implementing arrangements.

4. This Memorandum of Agreement is subject to applicable United States law. The United States administration may seek additional statutory authorization that may be necessary for full implementation of this Memorandum of Agreement.

5. This Memorandum of Agreement shall enter into force on November 25, 1975 and shall terminate on November 25, 1994. The oil supply arrangement of September 1, 1975 between the Governments of Israel and the United States shall be in force during the period from the date of this Memorandum of Agreement to November 25, 1994 and shall be performed and implemented in accordance with the provisions of this Memorandum of Agreement.

ANNEX

In connection with the Memorandum of Agreement being entered into on this date between the Government of Israel and the Government of the United States, Israel and the United States understand that:

Because of the unique security

situation of Israel its oil reserves are and should be at the level equal to six months of Israel's oil consumption; and in this connection U.S. oil supplies should be at such levels that U.S. ability to meet its oil requirements will not be adversely affected.

DEPARTMENT FACT SHEET³

The Memorandum of Agreement (MOA) on oil supply, concluded by the U.S. and Israel on June 22, 1979, was an integral part of the process resulting in the conclusion of the Treaty of Peace between Egypt and Israel. As part of that treaty, Israel agreed to give back to Egypt oil fields in the Gulf of Suez. The MOA contains a commitment by the U.S. to make oil available for purchase by Israel if Israel could not find enough on its own, through normal procedures, to meet its domestic requirements. (This was very similar to an agreement concluded with Israel in 1975 when Israel returned oil fields to Egypt as part of a partial withdrawal from the Sinai. That agreement was folded into the 1979 MOA.)

Section three of the Memorandum of Agreement provided that the two nations should meet to develop contingency implementing arrangements. There have been five meetings over the course of the past year and an agreement outlining such arrangements has now been reached. These implementing arrangements are entirely subject to the parent MOA.

The implementing arrangements provide for three ways in which the MOA could be activated:

- The first occurs when Israel simply cannot obtain enough oil to meet its needs, no matter what price or terms it offers. In this case, the United States would provide Israel, directly or indirectly, a sufficient quantity of oil to make up the shortfall.

- A much more complex situation arises when Israel can physically obtain oil but only by paying an excessive average price and by buying under very insecure arrangements. In the case of oil, as with any commodity, if a country is willing to pay enough it may be able to find modest amounts even during times of severe world shortage. This fact was taken into account in the formula in paragraph 3 whereby the MOA would be activated

if Israel has to pay an average price for its oil greater than the average cost of the most expensive 20% of crude oil imported into the United States and has to buy at least 60% of its oil through short-term, indirect purchases. This formula reflects the basic purpose of the 1979 MOA as an emergency supply commitment and, at the same time, recognizes the market reality that even though oil may be available, it cannot be obtained through normal procedures.

- Paragraph 4 provides for a special emergency activation of the commitment when Israel loses one of its main sources of supply despite its efforts to maintain that source. If Israel cannot immediately replace it with an equivalent source, the United States would provide oil, directly or indirectly, to make up the shortfall for 120 days. If, after this period, Israel was suffering a physical shortfall or qualified under paragraph 3, the United States would continue to provide oil.

If the MOA is activated, the United States would first try to find foreign oil for Israel. If that proves inadequate, the United States would provide domestic oil. There would be no subsidy involved. Israel would pay the higher of the acquisition cost or the cost to U.S. refiners of obtaining replacement oil. If the actual replacement cost could not be determined, an imputed replacement cost equal to the average of the most expensive 10% of U.S. imports of similar quality would be charged.

Whenever the United States provides oil to Israel, Israel would have the obligation to continue to look for oil on the world market, and if it finds some, the U.S. obligation would be reduced accordingly.

If the United States is suffering a shortfall and the MOA were activated, Israel, under paragraphs 6 and 7 of the implementing arrangements, would be treated as a hypothetical participant in the emergency oil-sharing system of the International Energy Agency (IEA). It would have the same demand restraint and stock drawdown obligations as an IEA member. This means that Israel would receive at most 93% of its normal requirements for domestic consumption and might receive less depending on the shortfall among IEA nations. Israel is not a member of the IEA

and would not receive an oil allocation from the IEA.

The implementing arrangements will apply for an initial period of 5 years and additional periods of 3 years for the duration of the MOA (1994 unless extended). Either party could suspend the implementing arrangements at the expiry of any period. This would in no way affect, however, the continued validity of the MOA.

Israel's oil consumption is currently about 160,000 barrels per day, less than 1% of U.S. consumption. Since the initial U.S. oil-supply commitment was made in 1975, Israel has been able to obtain sufficient oil through its own efforts without recourse to the United States, even during periods of tight oil market conditions. Israel is currently meeting all its oil needs, and it is expected that it will continue to be able to do so, but under emergency circumstances, Israel could turn to the United States under the MOA and these implementing arrangements.

¹ Text from Weekly Compilation of Presidential Documents of Oct. 27, 1980.

² White House correction.

³ Made available to news correspondents by Department spokesman John Trattner. ■

Iran Chronology, November 1980

November 1

In a newspaper editorial, hard-line Islamic Republican Party announces it favors release of the hostages before U.S. elections because during this period, the U.S. is "ready to give more concessions," and a new U.S. President "would see no reason to submit to the rights of our nation." The editorial goes on to warn, however, that if conditions are not met, the hostages would remain captive and could possibly be tried for espionage.

November 2

Hostages' 365th day of captivity.

Iran's Parliament approves a report by the seven-member commission endorsing the conditions laid down earlier by Khomeini for freeing the hostages. The commission's report also specifies that the U.S. would not only have to accept the conditions but also carry them out.

November 3

Military captors, with Khomeini's approval, turn jurisdiction of hostages over to the Iranian Government but not the hostages themselves.

November 4

In a message conveyed to the Carter Administration through the Algerian Embassy, the Iranian Government calls for a quick reply by the U.S. to its conditions. U.S. declines the request.

Tens of thousands of Iranians demonstrate in Tehran streets celebrating the 1-year anniversary of the takeover of the U.S. Embassy and capture of the hostages.

November 5

Militant captors state that the hostage crisis is prolonged because of Gov. Reagan's election, but there will be no change in the terms for freeing them. The government also states that the election would have no effect.

Carter Administration officials suggest that the President will agree to conditions if Iranian authorities accept a "narrow interpretation" of the Iranian Parliament's "ambiguous demands."

November 7

Former Foreign Minister Ghotbzadeh is arrested and imprisoned for criticizing the Government's management of the broadcasting system.

Hostages remain in Embassy; Iran Government makes no move to take custody despite earlier announcement.

November 10

Deputy Secretary Christopher and a small delegation depart Washington, D.C., for Algiers carrying the U.S. response to the Iranian Parliament's terms on release of the hostages. While in Algiers, he meets with Algerian Foreign Affairs Minister Benyahia. The Algerian Government agrees to serve as intermediary for the U.S. response and agrees to transmit it to the Iranian Government.

After Ghotbzadeh spends 3 days in prison, Khomeini orders his release.

November 11

Deputy Secretary Christopher departs Algiers for Washington, D.C.

November 13

Iranian official committee studies U.S. reply to its terms but makes no public comment.

November 16

Ayatollah Hashemi Rafsanjani states that the Parliament is "too busy" to discuss the hostage issue further.

November 19

Rafsanjani states that the U.S. has accepted "in principle" Iran's condition but release of the hostages will be delayed until the demands are actually met.

November 20

U.S. confirms it has accepted, in principle, the four conditions Iran set "as a basis for resolution of the crisis."

November 22

Iran states it wants a "yes or no" answer from the U.S. on conditions set Ahmad Azizi, public relations director Prime Minister Rajai, reaffirms that Iran "cannot accept the responses with room for compromise or negotiations or anything like that."

November 23

Algerian delegation arrives in Algiers carrying the Iranian response on hostages.

November 24

Preoccupied with decisions on whether to attend the Arab League meeting in Amman, Algiers delays informing U.S. of Iran's latest stand.

November 25

Algerian intermediaries arrive in Washington, D.C., carrying Iran's reaction to U.S. proposals. Meanwhile, Iranians remain adamant on condition set.

November 26

At the State Department, Deputy Secretary Christopher, along with son of the members of the delegation who accompanied him to Algiers, meets with the Algerian representatives to transmit and explain the Iranian position and the U.S. response for release of the hostages. While in Iran, the Algerian delegation was assured that the hostages are in good health.

November 27

Hostage discussions continue between Deputy Secretary Christopher and the Algerian delegation.

Militant captors report that hostages have been handed over to the government, but a spokesman for the militants refuses to say when or how the transfer had taken place.

November 28

The report that the hostages have been handed over to the government is denied by another militant captor. An Iranian official states he cannot confirm the report that the hostages have been transferred.

November 29

Militants reassert that hostages have been handed over. ■

International Narcotics Control in the 1980s

Mathea Falco

*Statement before the House Select Committee on Narcotics on September 3, 1980. Ms. Falco is Assistant Secretary for International Narcotics Affairs.*¹

Role of Crop Destruction

A major goal of the international narcotics control program since its inception has been, to the extent possible, to prevent illicit narcotics crops from being grown in the United States. The ideal circumstances would be to eliminate worldwide production of illicit substances, and in the absence of such preventive measures, to secure the destruction of substances grown for the illicit drug market. In our ongoing discussions with other countries, the goal of illicit crop destruction is always a factor. Most countries with which the United States has narcotics-related bilateral programs have successfully destroying crops to some extent; notably Mexico, but also Colombia, Thailand, Pakistan, and Peru. The key questions for the Department of State this decade will remain how to convince more governments to undertake crop destruction and how to make such crop destruction more effective. Insofar as U.S. foreign policy with respect to marijuana is concerned, the key factor will be consistency between our foreign policy and domestic policy. Foreign perception of internal indecision on this question, as on any foreign policy issue, makes effective representation and more difficult.

Approaches to International Narcotics Control

International Financial Investigations. While illicit crop destruction should remain a primary goal of our international narcotics policy, we must also try, in the 1980s, to improve international cooperation in interdiction efforts and drug trafficker judicial proceedings. One promising area for

improving our ability to detect and apprehend major drug traffickers is through narcotics related financial investigations. International cooperation on criminal money handling will not only facilitate the apprehension and prosecution of drug traffickers but could also lead to legal changes which would make criminal money handling harder. This would increase the costs and reduce the incentives to participate in drug trafficking.

As you know, taking advantage of existing financial techniques has become a major concern of the Department of Justice in domestic narcotics-related investigations. A priority for the Department of State during the 1980s will be to expand international cooperation in applying innovative financial techniques to drug cases where the money involved crosses national borders.

In doing so, there will be several issues underlying the international discussion. The first will be the question of access to foreign records, whether corporate, banking, or tax records. A second related issue for domestic and international discussion will be the question of privacy; that is, access by foreign investigators to U.S. held records. A third area will be increased cooperation in criminal proceedings, both on the question of informant testimony and in the transmission of evidence between countries.

Potential points of focus for discussion and cooperation in this area are numerous.

First, there are bilateral mutual assistance treaties, such as those we have negotiated with the Government of Colombia and other countries.

Second, we can work toward the establishment of international guidelines or agreements, such as those contemplated in the resolution on financial transactions that the United States proposed in the Commission on Narcotics Drugs this year.

There are numerous other opportunities for constructive international dialogue on improved investigative and judicial cooperation in multilateral fora.



(U.N. photo)

Poppies in Thailand—a source of heroin and other narcotic drugs.

Development Assistance. Development assistance will continue to be a critical dimension to international narcotics control in the 1980s. Increasingly, it is evident that a foreign government's ability to undertake effective crop destruction programs is related to the availability of realistic economic alternatives to growers. This is especially the case where illicit narcotics production makes a substantial contribution to the national economy or where narcotics production is a primary means of support for geographically separated ethnic minorities.

Assisted by the legislative efforts of the members of this committee, we have made significant progress in focusing U.S. development assistance in illicit narcotics growing regions. In the future, multilateral lending institutions as well as our own bilateral development agencies must begin to consider the deleterious effects of illicit narcotics production. Lending policies must take into account that the problem is not only for consuming countries but also for the developing, producer countries. Public health and sound economic development are both

disrupted in illicit producer countries. Not only is there often a domestic drug abuse problem, but illicit narcotics production may interfere with critical food production, as well as siphoning away resources from the legitimate economy. The United States must continue to articulate these problems in the international financial community and insist to the greatest extent possible that they be taken into consideration in lending policies and development projects.

Methaqualone and Other Abused Drugs

While most abused drugs in pill form are produced in the United States, international traffic in methaqualone is posing a severe problem to our country. During the next decade substances like methaqualone will have to be the focus of increased international dialogue. The main instrument for international cooperation in this area is the Psychotropic Substances Convention. Issues to be worked out will include the development of acceptable import-export procedures to control the movement of scheduled substances, particularly where the United States is seeking stricter controls for foreign manufacturers.

Regulation of Licit Narcotics Production

A very critical problem will continue to be the regulation of the production of licit narcotics derived from opium poppies for the medicinal market. The leadership role of the United States in preventing the proliferation of supplies of licit raw materials must be continued. Unless new suppliers are effectively discouraged from increasing production, there will be a substantial oversupply situation, and diversion of opiates to the heroin market will undoubtedly occur. A serious oversupply situation has already been predicted by the International Narcotics Control Board, and this remains of grave concern to the Department of State.

Increased Resources in Drug-Related Foreign Programs

U.S. bilateral programs have proved to be the most effective means of

General Assembly Votes on Afghanistan Situation

Following are Ambassador Donald F. McHenry's statement in the U.N. General Assembly on November 19, 1980, and the resolution adopted by the Assembly on November 20.

AMBASSADOR McHENRY¹

Less than a year ago the conscience of the world was shocked by the grim events in Afghanistan: a massive invasion by Soviet armed forces; the overthrow of the [Hafizullah] Amin regime and the killing of its leaders; and the launching of a campaign of violence and terror against the Afghan people by Soviet forces and their Afghan surrogates.

There is nothing new in the Soviet Union's use of force to maintain its domination of other nations. The pattern set in 1953, when Soviet troops put down the East German workers' uprising, was repeated in 1956 in the bloody suppression of the Hungarian revolution and, in 1968, in the destruction of Czechoslovakia's experiment in liberalization. Now, in 1980, the Soviet Union has gone beyond Eastern Europe to assault the independence of a nonaligned and Islamic nation—a nation intensely proud of its culture and religion.

Their attack and cynical demand that client states recognize the reality of military occupation are in blatant violation of the most important principles of international law and the U.N. Charter:

- A state must not use force against the territorial and political independence of another state;
- A state must settle international disputes by peaceful means;
- All states must respect the principle of self-determination; and

reducing the amount of illicit narcotics available in the United States. But effective bilateral programs require a sustained commitment over a period of years. For instance, the United States has contributed approximately \$90 million to our successful opium eradication program with the Government of Mexico. Similar levels of effort will have to be maintained

- Human rights must be respected by all governments.

The Soviet intervention and occupation was also—and remains today—a serious threat to the security and stability of an important and strategic region of the world.

The United Nations responded urgently to the Afghanistan crisis. We joined in supporting a draft Security Council resolution which called for Soviet withdrawal. But for a veto by the Soviet Union it would have been adopted. As a result, an overwhelming majority of the members of this Assembly swiftly adopted a resolution in an emergency special session on January 14 which called for immediate withdrawal of foreign troops and restoration of freedom and sovereignty for the Afghan people.

Since then, the invasion and occupation have been condemned by virtually all major international bodies including the Islamic Conference of Foreign Ministers on January 29 and again on May 21, the U.N. Human Rights Commission on February 14, the Foreign Ministers of the European Common Market and the Association of South East Asian Nations on March 7, and the Interparliamentary Union Council on April 12 and again on September 24.

Deepening Crisis

Notwithstanding those urgent appeals the crisis has deepened in Afghanistan. The Soviet Union has ignored the mandate of January 14. It has pursued and intensified its policy of military intervention and occupation in total disregard of world opinion.

In the face of this Assembly's de-

elsewhere if we are to achieve a worldwide reduction in illicit narcotic production. While we expect increasing contributions from other countries to narcotics control programs, a substantial U.S. effort is still required.

¹ The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

for withdrawal of Soviet troops, now has increased its force—which it describes as a “limited contingent”—from 90 in early January to 85,000 today. More than 30,000 troops are massed across the border of the Soviet Union.

In defiance of this Assembly’s appeal for the restoration of sovereignty and self-determination for Afghanistan, the Soviet Union has sought to tighten its political and military grip on that country through a regime which is entirely dependent on Soviet armed might for its survival. It should be clear to all that this regime does not and cannot represent the people of Afghanistan.

In violation of the Assembly’s appeal to refrain from coercion and constraint, the Soviet Union and its Afghan agents have waged a brutal campaign of violence and terror in an effort to subdue the Afghan people.

But the Soviet Union has failed to achieve its grim objective in Afghanistan. The Afghan people have resisted in a struggle for national liberation. And for the Soviet Union’s divisions, its sophisticated weaponry, and its ruthless methods, including arbitrary arrests and imprisonment, it has failed to crush this struggle. Soviet forces have failed everywhere to pacify the countryside. They are confined to the towns and cities, which are termed camps. And even there, guerrilla attacks on Soviet personnel and residences and demonstrations against the invaders are commonplace.

The struggle of the Afghan people to recover their freedom and independence is an inspiration to those who oppose tyranny. But the cost of their struggle has been high. Even as we meet today, thousands of Afghan freedom fighters are dying, more fields and villages are being destroyed as Soviet forces use the tactics of terror to impose a Soviet peace. Their tragedy is unfolding in a country which, since its independence in 1921, has consistently followed a policy of neutrality and nonalignment.

In spite of the cloak of Soviet censorship, these facts of Soviet aggression in Afghanistan speak for themselves. The Soviet Union stands condemned in the eyes of the world. Yet it persists in attempting to mask its aggression by casting blame on others.

Moscow claims it intervened in Afghanistan at the request of a former regime in response to some undefined external threat to that country. This was, of course, the same regime whose leader

was murdered when Soviet troops assaulted and subdued the Afghan state on December 29, last year. In the declaration of May 14, issued by the Soviet-controlled authorities in Kabul, Moscow argued that peace can be restored only through agreements between the Kabul regime and the neighboring states of Pakistan and Iran whereby these states and others would, in effect, accept the illegal military occupation and guarantee an end to the Afghan resistance. While continuing to support these unacceptable proposals, the Soviets have shown no interest in the initiative of the Islamic Conference or other proposals for a just political settlement that would restore genuine freedom and independence to Afghanistan.

Moscow’s claims that some external threat to Afghanistan justified its invasion and that an independent government requested its assistance are simply unacceptable. Moreover, I wish to emphasize that the charges of the representative of the Soviet Union [Oleg A. Troyanovsky] and Mr. Dost [Shah Mohammed Dost, Minister of Foreign Affairs, Democratic Republic of Afghanistan] during this debate that the Afghan resistance is dependent on the United States and other nations are cynical fabrications unworthy of further comment. The world knows that the Soviet Union invaded Afghanistan to suppress an indigenous Islamic insurgency which had long been struggling against an unpopular regime. The world also knows that this resistance movement is an expression of the powerful nationalism of the Afghan people, and that the Kabul regime is a fiction manufactured in Moscow and marketed by force of Soviet arms.

The real threat to Afghanistan is the presence of 85,000 Soviet troops who have illegally invaded and occupied that country in gross violation of international law. The Soviet Union is locked in conflict with the Afghan people. The cost of this conflict is mounting, most of all for the Afghan people, but for others as well. For the Soviet Union, the cost is heavy—international condemnation, increased isolation, and the burden of a futile and seemingly endless war. For the other nations of Southwest Asia, security and well being are endangered while Soviet forces remain in Afghanistan. The use of

force by the Soviet Union against a non-aligned neighbor with whom it has a treaty of friendship means that every nation is less secure.

Yet the will of Afghans to resist is legendary. In the troubled times of 1941, the Grand National Council or Loya Jirgah met to reaffirm Afghan neutrality. The council adopted these concluding words in their resolution of November 6, 1941:

The Afghan nation has at no time been under any obligation to a foreign government, nor will she ever be. The nation has always been free, and will also in the future maintain its free and independent existence. By the help of God, the people of Afghanistan are unanimously prepared to live a life of honor by defending their rights with all their material and spiritual forces, even to the point of shedding the last drop of blood.

These words ring even louder today than then, for we are now witness to this same stubborn defense of honor and national rights.

Need For Just Settlement

Members of the United Nations have an obligation to find a solution to this impasse in accordance with the principles of the U.N. Charter. The draft resolution we are now considering offers a constructive approach. Yet some delegations have attempted to characterize support for this resolution as an “unfriendly act.” The real “unfriendly act” was the invasion of Afghanistan. This resolution deserves the support of every member of this body. It has three elements which are essential for a solution, and the United States is firmly committed to them:

- The immediate withdrawal of foreign troops from Afghanistan;
- The right of the Afghans to self-determination, free from outside intervention; and
- The need for a peaceful solution of the problem based on the sovereignty, territorial integrity, and the nonaligned character of Afghanistan.

The resolution also addresses the tragedy of the Afghan refugees with an appeal for continued relief aid and a solution that will enable them to return to their homes. The flood of refugees—now more than 1.2 million in Pakistan and

several hundred thousand elsewhere—represents one-tenth of the population of Afghanistan. Their flight is further dramatic evidence of the upheaval and suffering the Soviet invasion has caused.

Finally, this draft resolution goes a step beyond that of January 14 by expressing hope that the Secretary General will appoint a special representative with a view to promoting a political solution in accordance with the provisions of this resolution.

In the past, the Soviet Union has shown no willingness to discuss a political settlement except on the basis of formulas of its own which ignore the need for prompt withdrawal of Soviet troops. Such formulations which essentially seek to preserve the present Kabul regime are no solution to the plight of Afghanistan. They offer neither peace nor freedom for the Afghan people. Nor do they offer any prospect for meeting the security interests of that region or the rest of the world, or indeed, of the Soviet Union.

In contrast, the approach of the draft resolution we are now considering offers a new opportunity for Moscow to change its course and meet its international obligations. It points the way toward a genuinely independent nonaligned and neutral Afghanistan, free of foreign troops and foreign intervention and with a government acceptable to the Afghan people. Such an outcome would deliver Afghanistan from its ordeal. And it would pose no threat to the legitimate interests of the Soviet Union in the security of its border. The United States supports a political settlement based on these principles.

None of us can rest until a just peace in Afghanistan is achieved. The Afghanistan crisis must remain at the top of this organization's agenda until this grave source of international tension is removed. If all of us, including the Soviet Union, can summon the necessary will and courage, such a settlement for Afghanistan can be accomplished on the basis of the principles of the draft resolution we are now considering. We must—all of us—commit ourselves to this goal.

GENERAL ASSEMBLY RESOLUTION 35/37²

The General Assembly,

Having considered the item entitled "The situation in Afghanistan and its implications for international peace and security",

Recalling its resolution ES-6/2 of 14 January 1980 adopted at the sixth emergency special session,

Reaffirming the purposes and principles of the Charter of the United Nations and the obligation of all States to refrain in their international relations from the threat or use of force against the sovereignty, territorial integrity and political independence of any State,

Reaffirming further the inalienable right of all peoples to determine their own form of government and to choose their own economic, political and social system free from outside intervention, subversion, coercion or constraint of any kind whatsoever,

Gravely concerned at the continuing foreign armed intervention in Afghanistan, in contravention of the above principles, and its serious implications for international peace and security,

Deeply concerned at the increasing outflow of refugees from Afghanistan,

Deeply conscious of the urgent need for a political solution of the grave situation in respect of Afghanistan,

Recognizing the importance of the continuing efforts and initiatives of the Organization of the Islamic Conference for a political solution of the situation in respect of Afghanistan,

1. *Reiterates* that the preservation of the sovereignty, territorial integrity, political independence and non-aligned character of Afghanistan is essential for a peaceful solution of the problem;

2. *Reaffirms* the right of the Afghan people to determine their own form of government and to choose their economic, political and social system free from outside intervention, subversion, coercion or constraint of any kind whatsoever;

3. *Calls* for the immediate withdrawal of the foreign troops from Afghanistan;

4. *Also calls upon* all parties concerned to work for the urgent achievement of a political solution and the creation of the necessary conditions which would enable the Afghan refugees to return voluntarily to their homes in safety and honour;

5. *Appeals* to all States and national and international organizations to extend humanitarian relief assistance, with a view to alleviating the hardship of the Afghan refugees, in

co-ordination with the United Nations High Commissioner for Refugees;

6. *Expresses its appreciation* of the efforts of the Secretary-General in the search for a solution to the problem and hopes that will continue to extend assistance, including the appointment of a special representative with a view to promoting a political solution in accordance with the provisions of the present resolution and the exploration of securing appropriate guarantees for non-use of force threat of use of force against the political independence, sovereignty, territorial integrity and security of all neighbouring States, on basis of mutual guarantees and strict non-interference in each other's internal affairs with full regard for the principles of the Charter of the United Nations;

7. *Requests* the Secretary-General to keep Member States and the Security Council concurrently informed on the progress towards the implementation of the present resolution and to submit to Member States a report on the situation at the earliest appropriate opportunity;

8. *Decides* to include in the provisional agenda of its thirty-sixth session the item entitled "The situation in Afghanistan and its implications for international peace and security."

¹ USUN press release 150.

² Adopted on November 20 by a vote of 111 to 22, with 12 abstentions. ■

10th General Assembly of the OAS

Following are the President's and Secretary's addresses on November 9, 1980, before the 10th General Assembly of the Organization of American States (OAS) held in Washington, D.C., November 19-26.

PRESIDENT CARTER¹

I speak to you today for the fifth time in an important forum in this hall and, despite considerable efforts to the contrary, I am afraid also for the last time as President of the United States. I want to say first and foremost that I am grateful I am for the privilege of speaking with all of you and the leaders of the nations of the hemisphere. And I want to take a few minutes to assess what we have done together and to describe my own hopes for the future.

On my first visit to the Organization of American States, in April of 1977, I found that no single policy, no single slogan could encompass a region as diverse as this. I spoke instead of certain principles: a belief in nonintervention and in the sovereignty of nations, a determination to work for human rights and for democracy, a common commitment to deal with global economic issues and to resolve regional political disputes. These principles have helped the United States assess its contribution to the new and balanced relationships that are emerging in our hemisphere.

After 4 years of practical experience, I am more convinced than ever that the future we desire lies in recognizing yearnings that are common to individuals and nations alike. As individuals the people of the Americas yearn for basic human rights. They desire personal liberty free from torture and arbitrary arrest; to participate in making the basic decisions that shape their own future; to have adequate food, health care, and education. And as part of the global community, every nation of the Americas has a desire and a right to help shape the future, not only of our own hemisphere but indeed, the entire world.

Some would ignore or resist these measured rights—the rights of individuals and the rights of nations. But the future lies with those who cherish them and who are willing to defend them. Let me speak briefly of the last 4 years.

Many here assisted in the negotiations and the ratification of the Panama

Canal treaties. These treaties and their far-reaching impact will endure. They will endure because they are based on the mutual trust and the mutual respect that have been carefully, and sometimes painfully, forged by the people of a small nation and the people of a large nation. They will endure because they serve the interests of all who rely on the Panama Canal. They will endure because they epitomize the broadest possible commitment of my country to a new and a better relationship with the developing nations of the world. They will endure because the treaties serve the cause of peace.

Last month El Salvador and Honduras served the cause of harmony and progress resolving their decades-old border dispute. These two countries, working with former President Bustamante of Peru and with their own Secretary General, have earned the admiration and respect of all those who love peace.

The treaty of Tlatelolco, when completed, will forever ban nuclear weapons from Latin America. I'm proud to have signed protocol one of this treaty on behalf of the United States of America. It's imperative that the remaining nations of our hemisphere put aside their hesitation and join in this vital commitment to ban the spread of nuclear weapons and to set an example for other nations in other regions of the world.

In Nicaragua many of us have been working together to help that country heal its wounds. It's in the interest of all who care about freedom to help the Nicaraguan people chart a pluralistic course that ends bloodshed, respects human rights, and furthers democracy.

El Salvador continues to struggle against terrorists on the right who seek to restore an old tyranny and terrorists on the left who seek to create a new one. That struggle of theirs is ours as well. Their path, the peaceful path of stability and moderation, is precarious, but it's the only path that can lead to both liberty and justice. We must insist upon a strict policy of nonintervention as the people of these two nations design their own future.

For too long, the United States seemed wedded to the status quo—even when that meant a continuation of poverty, social injustice, and even political repression. That attitude betrayed my

nation's dynamism and our faith and confidence in the future and that, thank God, has now been changed. We understand and support the necessity of peaceful and moderate political progress in Central America and elsewhere in this hemisphere.

Your governments, throughout the hemisphere, have also worked to improve the prospects for economic development. We've strengthened the Inter-American Development Bank and the World Bank. We've reduced trade barriers by expanding generalized tariff preferences and eliminating the discriminatory provision against Venezuela and Ecuador. We've worked to stabilize commodity prices by a Common Fund and individual commodity agreements on sugar and coffee and cocoa. Regional cooperation has been invigorated—in the Andean pact, with the Caribbean group, and, most dramatically, with Venezuelan-Mexican assistance for the Caribbean basin. Through my own personal participation, and through the influence of my country, we have worked to strengthen and to expand the beneficial influence of this Organization of American States.

Progress on Human Rights

As all of you know, the cause that has been closest to my own heart is the cause of human rights. I'm convinced that a new conscience has been awakened. That conscience serves a concept of human rights that is not unique to any country, nor even just to this hemisphere, but is universal. In this hemisphere, since 1977, 13 countries have ratified the embodiment of that concept—the American Convention on Human Rights. This has brought the convention into force and has created an inter-American court to judge human rights violations. In addition, the Inter-American Commission on Human Rights is more effective today than it was 4 years ago. It deserves our strongest continuing moral and financial support.

Today, no government in this hemisphere can expect silent assent from its neighbors if it tramples the rights of its own citizens. The costs of repression have increased but so have the benefits of respecting human rights. I pray that this progress will continue, although I

know from experience that progress is not always easy as we defend human rights.

Some claim that Jimmy Carter elevated human rights and democracy on the inter-American agenda and that the agenda will change when I leave my office. They are wrong. Hemispheric support for human rights is a historic movement—a movement that has been recognized this year in the Nobel peace prize. I take pride in being part of that movement. The cause of human rights will be all the stronger if it remains at the service of humanity, rather than at the service of ideological or partisan ends, and if it condemns both terrorism and repression.

In the phrase “human rights,” the “rights” are important. The “human” is *very* important. As a citizen of the Americas, I’m deeply encouraged by the trend toward greater democratization. I’m heartened that in many countries, thousands of people who were political prisoners just 4 years ago are now free. Those who see a contradiction between our security and our humanitarian interests forget that the basis for a secure and a stable society is the bond of trust between a government and its own people.

The future of our hemisphere is not to be found in authoritarianism that wears the mask of common consent nor totalitarianism that wears the mask of justice. Instead, let us find our future in the human face of democracy—the human voice of individual liberty and the human hand of economic development. If we build on the best of what we have begun, we can see a better time at the end of this decade. We can see a time when longstanding disputes like Belize, Bolivian access to the sea, and the Beagle Channel dispute between Argentina and Chile have been settled in a spirit of cooperation and justice. We can see a time when the treaty of Tlateloleo has come into force and other regions have followed the lead of Latin America in banning nuclear weapons. We can see a time when human rights are no longer threatened by the violence of either governments or terrorists and when every government responds to the will of its people, expressed through democratic institutions. We can see a time when nations have cooperated, in the OAS and elsewhere, to develop just and fair ways

of dealing with the migration of people, a time when no nation disregards the immigration laws of its neighbor and many nations offer a haven to the few who still need such a place to dwell. And we can see a time when today’s aspirations for greater economic development and cooperation have become living realities through common action inspired by this body and its experts.

Let me conclude on a personal note. My interest in Latin America and the Caribbean and in human rights and in democracy did not begin 4 years ago. And my interest will not end on January the 20th, next year. I will continue to speak out for the universal ideals which are embodied in our hearts and in the American Convention on Human Rights. I will continue to work with you—my friends—to make this hemisphere and the world more just, more secure, and more free.

SECRETARY MUSKIE²

I’m delighted to join you in this historic forum—the world’s first and oldest continuing regional association—and to underscore the remarks which President Carter made this morning. About one fact, I have no illusions: My country’s recent election changes greatly the atmosphere in which you and I meet. We in the United States have an unpleasant metaphor for political officials who are on their way out of office: We call them “lame ducks.” And I have observed, in more than two decades of political life, that people find it difficult to hear the call of the lame duck.

I do not intend to let this deter me today. Two decades in public life have taught me another lesson as well: that certain issues, certain realities, persist no matter what Administration is in office. The agenda that confronts you and me and our fellow citizens in this hemisphere is chosen by us only in part; for the most part, it is determined by a combination of long-term national interests and pressing current events.

Today I want to talk with you about certain great issues that were with us before this Administration took office and that will just as certainly shape the course of our relations in the future. I want to stress—as President Carter stressed this morning—the essential continuing U.S. policy.

The Changed Environment

What is most obvious as we gather today is the profoundly changed environment in which our relations are conducted. President Carter touched this morning upon many of the significant and welcome changes which have marked the past 4 years: the Panama Canal treaties, the Latin American nuclear-weapons-free zone, the work of the Inter-American Human Rights Commission. I would add to that list the emergence of independent states in the Caribbean, the vigorous spread of industrialization, the rise of several Spanish-speaking republics and Brazil as major world forces.

All these developments have introduced new balance into inter-American affairs. They underscore that your countries are gaining real power to contribute to regional development and that we respect and welcome your contributions. And these developments, taken together, can be the foundation for improved cooperation among us all in the future. Several hopeful trends are already visible.

- Subregional integration has become a key focus for both growth and broader cooperation—from Central America to the Andean group and from the Caribbean to the River Plate Basin.

- Important initiatives have been launched by Mexico and Venezuela jointly, and separately by Trinidad and Tobago, to supply energy to their neighbors.

Yet this is only the beginning. During the next two decades—the last years of the 20th century—our successors will face changes even more sweeping than those we have witnessed over the past years. The economic growth of Latin America over the past two decades has been impressive, and this is only the beginning. The potential for the rest of the century is just as promising. In fact, the *Global 2000 Report to the President*, recently prepared under the auspices of your government, projects that Latin America will be the fastest growing part of the world as we near the year 2000. This suggests that better regional approaches to development will be particularly important to our future cooperation.

Today, I want to emphasize the thought that better cooperation for development will depend largely on our ability to live by three fundamental principles that strongly influence the climate for cooperation: the principles of support

human rights; of nonintervention and collective security; and of peaceful settlement of disputes.

Human Rights

We emphasize, as strongly as I know what President Carter said this morning: Support for human rights—economic and political, as well as individual, is not a matter of transitory political emphasis for the United States; it is enshrined in our national life. The most persistent thread of belief in our history is the belief that governments should be the peoples' servant, not their master. This is a simple but fundamental reason, and it is safe to assert that the United States will continue to work to strengthen and increase respect for human rights as a fundamental norm of international cooperation.

All of us can be justifiably proud of the hemisphere's recent progress in this area. Those who would ignore, deny, or violate individual rights are in retreat. The Inter-American Human Rights Commission deserves our special salute. Its judgments and studies have begun to make an invaluable and dispassionate contribution for our joint consideration. The collective rededication of the Americas to human rights is a major achievement. I look to the future of our region with optimism. Societies where basic human rights are respected are more stable, more productive, more confident and more creative. They make better friends and stronger allies. So I would assert that support for human rights is both a prerequisite for future cooperation and progress between us and a motive force toward success in all our mutual efforts.

Nonintervention

The second fundamental principle for cooperation in the hemisphere is the principle of nonintervention. Effective international cooperation, particularly among states as richly varied as those of this hemisphere, is possible only if the rights of states are recognized. The very existence of this organization is due to men like Baltasar Brum and Carlos Saavedra de Alarcón, jurists whose wisdom helped develop the principle of nonintervention by which each state in the internal affairs of another.

This principle is fundamental. As our hemisphere has become more politically diverse, differences of outlook have

sometimes contributed to tensions among states. But our growing acceptance of political pluralism, both within and among countries, has proved important toward reducing such tensions.

We have explicitly committed ourselves through the Rio treaty to undertake collective action against the most blatant form of intervention—armed aggression. Other forms of intervention, however, can be just as damaging to national independence. The external provision of weapons, military training, or safe havens to armed insurgents is an insidious form of intervention—one all the more troubling for its indirection. Our regional organization needs to examine this pressing problem and devise ways to help the member states stop it.

Peaceful Settlement

Development has few enemies greater than fratricidal conflict. Peacemaking efforts are the third key to the future development of our countries. For our part, the United States is irrevocably committed to the peaceful settlement of disputes. Over the last 2 years, the Panama Canal treaties have become a symbol of that commitment. The United States has made clear its willingness to deal with all nations, large and small, on a basis of mutual respect. Yesterday, in this hall, we honored a similar contribution to peace and development—the treaty of peace between El Salvador and Honduras. In both cases, this organization deserves major credit for helping to bring the concerned parties together in negotiations.

But even as we celebrate these forward steps, many other potentially disruptive territorial disputes remain unsettled in the hemisphere. Settling them peacefully must be a high priority concern for us all and for this organization in particular.

The principle of peaceful settlement of disputes could also be applied to certain other problems. President Carter this morning reaffirmed our country's commitment to the goal of the treaty of Tlatelolco, which calls for Latin America to be kept free of nuclear weapons. This treaty could serve as a precedent for similar arrangements to limit the dangers of conventional military technology.

We are convinced that balanced restraints on conventional weapons, whether negotiated regionally or subregionally, could reduce tensions, enhance the security of nations, and reaffirm our mutual commitment to peaceful development.

Cooperation for Development

Can we build a future of regional cooperation for economic development, based on fidelity to these fundamental principles? Let us be candid: The only honest answer possible is "perhaps." The dream of cooperative economic development is at once our hemisphere's brightest promise and the area of our greatest disappointment.

The OAS has contributed significantly to international law, to the Western Hemisphere's unique record of peacekeeping, and to our recent progress in strengthening support for human rights. But the plain truth is that we have done far too little through the OAS to capitalize on our joint potential for economic progress.

The moral imperative for action is clear, for ours is a hemisphere still marked by major inequalities among and within countries. Our basic principles simply cannot be fulfilled without more effective cooperation for economic development. And the practical imperative is as compelling as the moral one: Our combined efforts could dramatically improve the lives of all our citizens.

Yet too often, we have allowed our economic debates to focus almost exclusively on questions that divide us, losing sight of those vast and equally vital areas in which we are in agreement. The proposed special general assembly on development offers an opportunity to redirect regional thinking along constructive lines. This assembly should be held as soon as adequate preparations can be made. The "wise men's report," prepared for the joint working group, identifies many key areas where our cooperation can be strengthened.

We believe it is a good starting point. We are prepared to help wholeheartedly in developing and pursuing specific programs for the good of all our peoples. We

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also hope that, by concentrating on questions where early progress is possible, the special general assembly will build a foundation for cooperation on more difficult issues as well.

Conclusion

I would like to touch on a house-keeping item which ties into my opening remarks about the changed environment. I refer to the need to modernize the system of financing that was developed for this organization more than 30 years ago. The system should reflect the emerging new balances in the hemisphere. As a former legislator, I know the difficulties of negotiating financing arrangements. I know all too well the disputes and delays that can come with the process. The differences that separate on this issue are not so great. For the good of our organization, I urge that we delay no longer in reaching agreement on this issue.

In a valedictory statement like this one, I am not in a position to advance concrete new proposals. But I am freer to speak frankly. The days when one country could pretend to lead alone are gone; no country is now so strong that it can either dominate or ignore its neighbors. But if dominance by one power is undesirable, so is confusion among many. We have learned, sometimes painfully, how to coexist. Let us now learn how to cooperate more broadly and effectively.

¹ Text from White House press release of Nov. 19, 1980.

² Press release 325 of Nov. 19, 1980. ■

Current Actions

MULTILATERAL

Aviation, Civil

Protocol relating to an amendment to the Convention on International Civil Aviation (TIAS 1591) [concerning lease, charter and interchange]. Done at Montreal Oct. 6, 1980. Enters into force on the date on which the 98th instrument of ratification is deposited by a party to ICAO.

Convention for the suppression of unlawful acts against the safety of civil aviation. Done at Montreal Sept. 23, 1971. Entered into force Jan. 26, 1973. TIAS 7570.

Accession deposited: Democratic People's Republic of Korea, Aug. 13, 1980.¹

Biological Weapons

Convention on the prohibition of the development, production, and stockpiling of bacteriological (biological) and toxin weapons and on their destruction. Done at Washington, London and Moscow Apr. 10, 1972. Entered into force Mar. 26, 1975. TIAS 8062.

Accession deposited: Socialist Republic of Vietnam, June 20, 1980.

Coffee

International coffee agreement 1976, with annexes. Done at London Dec. 3, 1975. Entered into force provisionally Oct. 1, 1976, definitively Aug. 1, 1977. TIAS 8683.

Accession deposited: Philippines, Oct. 14, 1980.

Commodities—Common Fund

Agreement establishing the Common Fund for Commodities, with schedule. Done at Geneva June 27, 1980. Open for signature at U.N. Headquarters in New York Oct. 1, 1980, until 1 year after the date of its entry into force. Enters into force upon receipt by the depositary of instruments of ratification, acceptance or approval from at least 90 states, providing certain requirements have been fulfilled.

Signatures: Ecuador, Oct. 3, 1980; U.S., Nov. 5, 1980.

Conservation

Amendment to the convention of Mar. 3, 1973 on international trade in endangered species of wild fauna and flora (TIAS 8249). Done at Bonn June 22, 1979.²

Acceptance deposited: U.S., Oct. 23, 1980.

Containers

International convention for safe containers (CSC), with annexes. Done at Geneva Dec. 2, 1972. Entered into force Sept. 6, 1977; for the U.S. Jan. 3, 1979. TIAS 9037.

Accession deposited: China, Sept. 23, 1980.

Cultural Relations

Constitution of the U.N. Educational, Scientific, and Cultural Organization. Concluded at London Nov. 16, 1945. Entered into force Nov. 4, 1946.

TIAS 1580.

Signatures: Maldives, Mar. 23, 1979; St. Lucia, Mar. 6, 1980; Tonga, Sept. 1, 1980; Zimbabwe, Sept. 22, 1980.

Acceptances deposited: Maldives, July 1980; St. Lucia, Mar. 6, 1980; Tonga, Sept. 29, 1980; Zimbabwe, Sept. 22, 1980.

Agreement on the importation of educational, scientific, and cultural material with protocol. Done at Lake Success Nov. 22, 1950; entered into force May 1952; for the U.S. Nov. 2, 1966.

TIAS 6129.

Ratification deposited: Syria, Sept. 16, 1980.

Customs

Customs convention on the international transport of goods under cover of TIR carnets, with annexes. Done at Geneva Nov. 14, 1975. Entered into force Mar. 1978.³

Accession deposited: Canada, Oct. 21, 1980.

Diplomatic Relations

Vienna convention on diplomatic relations. Done at Vienna Apr. 18, 1961. Entered into force Apr. 24, 1964; for the U.S. Dec. 13, 1972. TIAS 7502.

Accession deposited: Democratic People's Republic of Korea, Oct. 29, 1980.

Environmental Modification

Convention on the prohibition of military or any other hostile use of environmental modification techniques, with annex. Done at Geneva May 18, 1977. Entered into force Oct. 5, 1978.³

Accession deposited: Papua New Guinea, Oct. 28, 1980.

Finance

Agreement establishing the International Fund for Agricultural Development. Done at Rome June 13, 1976. Entered into force Nov. 30, 1977. TIAS 8765.

Accession deposited: Saint Lucia, Oct. 1980.

Human Rights

International covenant on economic, social, and cultural rights. Adopted at

York Dec. 16, 1966. Entered into force Jan. 3, 1976.³
Signature: Kampuchea, Oct. 17, 1980.
 International covenant on civil and political rights. Adopted at New York Dec. 16, 1966. Entered into force Mar. 23, 1976.
Signature: Kampuchea, Oct. 17, 1980.
 Optional protocol to the international covenant on civil and political rights. Adopted at New York Dec. 16, 1966. Entered into force Mar. 23, 1976.³
Accession deposited: Trinidad and Tobago, Nov. 14, 1980.

Legal Procedure

Convention on the taking of evidence in civil or commercial matters. Adopted at The Hague Mar. 18, 1970. Entered into force Oct. 7, 1972. TIAS 8762.
Extended to: Cayman Islands, Sept. 16, 1980.

Load Lines

Amendments to the international convention on load lines, 1966 (TIAS 6331). Adopted at London Nov. 15, 1979.²
Acceptances deposited: China, Aug. 1, 1980; France, May 12, 1980; Denmark, May 2, 1980; Morocco, Sept. 25, 1980; Seychelles, Oct. 1, 1980; U.K., Sept. 22, 1980.
 Amendments to the international convention on load lines, 1966 (TIAS 6331). Adopted at London Nov. 12, 1975.²
Acceptances deposited: China, Aug. 1, 1980; Seychelles, Oct. 1, 1980.

Amendments to the international convention on load lines, 1966 (TIAS 6331). Adopted at London Oct. 12, 1971.²
Acceptances deposited: China, Aug. 1, 1980; Seychelles, Oct. 1, 1980.

Maritime Matters

Amendments to the convention on the government of the Maritime Consultative Organization, as amended, (TIAS 4044, 86490, 8606). Adopted at London Nov. 15, 1979.²
Acceptances deposited: Australia, Nov. 15, 1980; Bulgaria, Oct. 21, 1980.

Amendments to the convention on the government of the Maritime Consultative Organization, as amended, (TIAS 4044, 86490, 8606). Adopted at London Nov. 17, 1977.²
Acceptance deposited: Egypt, Nov. 18, 1980.

Convention on facilitation of international maritime traffic, with annex. Adopted at London Apr. 9, 1965. Entered into force Mar. 5, 1967; for the U.S. Mar. 16, 1967. TIAS 6251.
Acceptance deposited: Senegal, Oct. 17, 1980.

International convention on standards of

training, certification, and watchkeeping for seafarers, 1978. Done at London July 7, 1978.²
Accessions deposited: Egypt, Sept. 22, 1980; Spain, Oct. 21, 1980.

International convention on maritime search and rescue, 1979, with annex. Done at Hamburg Apr. 27, 1979.²
Signature: China, Sept. 11, 1980.⁵

Narcotic Drugs

Convention for limiting the manufacture and regulating the distribution of narcotic drugs, with protocol of signature. Done at Geneva July 13, 1931. Entered into force July 9, 1933. 48 Stat. 1543.

Protocol amending the agreements, conventions, and protocols on narcotic drugs concluded at The Hague on Jan. 23, 1912, at Geneva on Feb. 11, 1925, and Feb. 19, 1925, and July 13, 1931, at Bangkok on Nov. 27, 1931, and at Geneva June 26, 1936, with annex. Done at Lake Success, New York Dec. 11, 1946. Entered into force Dec. 11, 1946; for the U.S. Aug. 12, 1947. TIAS 1671.

Protocol bringing under international control drugs outside the scope of the convention of July 13, 1931, for limiting the manufacture and regulating the distribution of narcotic drugs, as amended by the protocol signed at Lake Success on Dec. 11, 1946. Done at Paris Nov. 19, 1948. Entered into force Dec. 1, 1949; for the U.S. Sept. 11, 1950. TIAS 2308.

Protocol for limiting and regulating the cultivation of the poppy plant, the production of, international and wholesale trade in, and use of opium. Done at New York June 23, 1953. Entered into force Mar. 8, 1963. TIAS 5273.

Single convention on narcotic drugs, 1961. Done at New York Mar. 30, 1961. Entered into force Dec. 13, 1964; for the U.S. June 24, 1967. TIAS 6298.
Notification of succession: Papua New Guinea, Oct. 28, 1980.

Protocol amending the single convention on narcotic drugs, 1961 (TIAS 6298). Done at Geneva Mar. 25, 1972. Entered into force Aug. 8, 1975. TIAS 8118.

Convention on psychotropic substances. Done at Vienna Feb. 21, 1971. Entered into force Aug. 16, 1976; for the U.S. July 15, 1980. TIAS 9725.
Accession deposited: Papua New Guinea, Oct. 28, 1980.

Nuclear Material—Physical Protection Convention on the physical protection of nuclear material, with annexes. Done at Vienna Oct. 26, 1979.²

Ratification deposited: Sweden, Aug. 1, 1980.

Signatures: Canada, Sept. 23, 1980; Morocco, July 25, 1980; Poland, Aug. 6, 1980.

Patents, Microorganisms

Budapest treaty on the international recognition of the deposit of microorganisms for the purposes of patent procedure, with regulations. Done at Budapest, Apr. 28, 1977. Entered into force Aug. 19, 1980. TIAS 9768.
Ratifications deposited: F.R.G., Oct. 20, 1980; U.K., Sept. 29, 1980.

Pollution

Protocol of 1978 relating to the international convention for the prevention of pollution from ships, 1973. Done at London Feb. 17, 1978.²

Ratification deposited: Liberia, Oct. 28, 1980.

Accession deposited: Tunisia, Oct. 10, 1980.

Protocol relating to intervention on the high seas in cases of pollution by substances other than oil. Done at London Nov. 2, 1973.²

Ratification deposited: Netherlands, Sept. 10, 1980.⁶

Convention on the prevention of marine pollution by dumping of wastes and other matter, with annexes. Done at London, Mexico City, Moscow, and Washington Dec. 29, 1972. Entered into force Aug. 30, 1975. TIAS 8165.
Accession deposited: Suriname, Nov. 12, 1980.

Amendments to the convention of Dec. 29, 1972 on the prevention of marine pollution by dumping of wastes and other matter (TIAS 8165). Adopted at London Oct. 12, 1978.²

Acceptances deposited: Japan, Oct. 15, 1980; Sweden, May 16, 1980; U.S., Oct. 24, 1980.

Oil Pollution

International convention on civil liability for oil pollution damage. Done at Brussels, Nov. 29, 1969. Entered into force June 19, 1975.³

Ratification deposited: Finland, Oct. 1980. International convention on the establishment of an international fund for compensation for oil pollution damage. Done at Brussels Dec. 18, 1971. Entered into force Oct. 16, 1978.³

Ratification deposited: Finland, Oct. 10, 1980.

International convention for the prevention of pollution of the sea by oil, with annexes, as amended (TIAS 6109, 8505). Done at London May 12, 1954. TIAS 4900.
Extended to: Bermuda as from Dec. 1, 1980.

Red Cross

Protocol additional to the Geneva conventions of Aug. 12, 1949, and relating to the protection of victims of international

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armed conflicts (Protocol I), with annexes. Adopted at Geneva June 8, 1977. Entered into force Dec. 7, 1978.³
Ratification deposited: Finland, Aug. 7, 1980.⁷
Accession deposited: Bangladesh, Sept. 8, 1980.

Protocol additional to the Geneva conventions of Aug. 12, 1949, and relating to the protection of victims of noninternational armed conflicts (Protocol II). Adopted at Geneva June 8, 1977. Entered into force Dec. 7, 1978.³
Ratification deposited: Finland, Aug. 7, 1980.⁷
Accession deposited: Bangladesh, Sept. 8, 1980.

Refugees

Protocol relating to the status of refugees. Done at New York Jan. 31, 1967. Entered into force Oct. 4, 1967; for the U.S. Nov. 1, 1968. TIAS 6577.
Accession deposited: Jamaica, Oct. 30, 1980.

Rubber

International natural rubber agreement, 1979. Done at Geneva Oct. 6, 1979. Entered into force provisionally Oct. 23, 1980.
Approval deposited: Czechoslovakia, Sept. 17, 1980.
Notification of provisional application: Belgium, Luxembourg, Oct. 3, 1980; Brazil, Oct. 1, 1980; Canada, Nov. 7, 1980; EEC, Sept. 29, 1980; Finland, Nov. 11, 1980; France, F.R.G., Netherlands, Norway, Sept. 30, 1980; U.S.S.R., Nov. 5, 1980; U.K., Sept. 26, 1980; U.S., Oct. 23, 1980.
Ratification deposited: China, Sept. 15, 1980; Denmark, Sweden, Sept. 30, 1980; Ireland, Sept. 29, 1980.

Seabed Disarmament

Treaty on the prohibition of the emplacement of nuclear weapons and other weapons of mass destruction on the seabed and the ocean floor, and in the subsoil thereof. Done at Washington, London, and Moscow Feb. 11, 1971. Entered into force May 18, 1972. TIAS 7337.
Accession deposited: Socialist Republic of Vietnam, June 20, 1980.¹

Space

Treaty on principles governing the activities of states in the exploration and use of outer space, including the Moon and other celestial bodies. Done at Washington, London, and Moscow Jan. 27, 1967. Entered into force Oct. 10, 1967. TIAS 6347.
Accession deposited: Socialist Republic of Vietnam, June 20, 1980.

Sugar

International sugar agreement, 1977, with annexes. Done at Geneva Oct. 7, 1977. Entered into force provisionally Jan. 1, 1978; definitively Jan. 2, 1980. TIAS 9664.
Accession deposited: Zimbabwe, Oct. 20, 1980.

Telecommunications

Partial revision of the radio regulations (Geneva, 1959), as revised, relating to the aeronautical mobile (R) service, with annexes and final protocol. Done at Geneva Mar. 5, 1978. Entered into force Sept. 1, 1979; for the U.S. Oct. 22, 1980, except for the frequency allotment plan for the aeronautical mobile (R) service which shall come into force on Feb. 1, 1983.
Approval deposited: Denmark, Sept. 1, 1980.

Terrorism

International convention against the taking of hostages. Adopted at New York Dec. 17, 1979.²
Signatures: Finland, Oct. 29, 1980; Uganda, Nov. 10, 1980.
Ratifications deposited: Lesotho, Nov. 5, 1980; Mauritius, Oct. 17, 1980.

Trade

Agreement on technical barriers to trade. Done at Geneva Apr. 12, 1979. Entered into force Jan. 1, 1980. TIAS 9616.
Acceptances: Hungary, Apr. 23, 1980; Japan Apr. 25, 1980; Republic of Korea, Sept. 3, 1980; Singapore, June 3, 1980; Spain, May 9, 1980⁸; Yugoslavia, Sept. 16, 1980.⁸
Ratification deposited: Austria, May 28, 1980.
Agreement on trade in civil aircraft. Done at Geneva Apr. 12, 1979. Entered into force Jan. 1, 1980. TIAS 9620.
Acceptances: Japan, Apr. 25, 1980; Romania, June 25, 1980.
Ratification deposited: Austria, June 23, 1980.

International dairy arrangement. Done at Geneva Apr. 12, 1979. Entered into force Jan. 1, 1980. TIAS 9623.
Acceptance: Uruguay, July 18, 1980.
Ratification deposited: Austria, May 28, 1980.

Arrangement regarding bovine meat. Done at Geneva Apr. 12, 1979. Entered into force Jan. 1, 1980. TIAS 9701.
Acceptances: Romania, June 25, 1980; Uruguay, June 16, 1980; Yugoslavia, Sept. 16, 1980.⁵
Ratification deposited: Austria, May 28, 1980.

Agreement on implementation of article VII of the General Agreement on

Tariffs and Trade (customs valuation) Done at Geneva Apr. 12, 1979. Enters into force Jan. 1, 1981.

Acceptances: Austria, Dec. 17, 1979; Canada, Dec. 17, 1979⁷; EEC, Dec. 17, 1979; Finland, Dec. 17, 1979⁹; Hungary, July 18, 1980; India, July 11, 1980^{7,10}; Japan, Dec. 17, 1979; Norway, Dec. 17, 1979⁹; Romania, June 25, 1980; Spain, May 9, 1980^{9,10}; Sweden, Dec. 17, 1979; Switzerland, Dec. 17, 1979; U.K., Dec. 17, 1979⁹.
Acceptance deposited: Japan, Apr. 25, 1980.

Protocol to the agreement on implementation of article VII of the General Agreement on Tariffs and Trade. Done at Geneva Nov. 1, 1979. Entered into force Jan. 1, 1981.
Acceptances: Austria, May 17, 1980⁹; EEC, July 29, 1980; Finland, Dec. 17, 1979⁹; Hungary, July 18, 1980; India, July 11, 1980^{7,10}; Japan, Apr. 25, 1980; Norway, Dec. 17, 1979⁹; Romania, June 25, 1980; Spain, May 9, 1980⁹; Sweden, Dec. 17, 1979⁹; Switzerland, Dec. 17, 1979⁹; U.K., Sept. 17, 1980^{11,12}. U.S., May 28, 1980⁹.

Agreement on implementation of article VI of the General Agreement on Tariffs and Trade (antidumping code) Done at Geneva Apr. 12, 1979. Entered into force Jan. 1, 1980. TIAS 9650.
Acceptances: Austria, Dec. 17, 1979⁹; Brazil, Dec. 28, 1979; Canada, Dec. 17, 1979; Czechoslovakia, July 29, 1980; EEC, Dec. 17, 1979; Finland, Dec. 17, 1979; Hungary, Apr. 23, 1980; India, July 11, 1980¹⁰; Japan, Dec. 17, 1979; Norway, Dec. 17, 1979; Romania, June 25, 1980; Spain, May 9, 1980⁹; Sweden, Dec. 17, 1979; Switzerland, Dec. 17, 1979; U.K., Dec. 17, 1979^{11,13}; U.S., Dec. 17, 1979; Yugoslavia, Sept. 16, 1980.⁹
Acceptances deposited: Brazil, May 5, 1980; Japan, Apr. 25, 1980; Norway, Dec. 28, 1979.
Ratifications deposited: Austria, May 1980; Finland, Mar. 13, 1980; Sweden Dec. 20, 1979.

Agreement on interpretation and application of articles VI, XVI, and XXIII of the General Agreement on Tariffs and Trade (subsidies and countervailing duties). Done at Geneva Apr. 12, 1979. Entered into force Jan. 1, 1980. TIAS 9619.
Acceptances: Austria, Dec. 17, 1979; Brazil, Dec. 28, 1979¹⁰; Canada, Dec. 17, 1979; Chile, Oct. 25, 1979¹⁴; EEC, Dec. 17, 1979; Finland, Dec. 17, 1979; India, July 11, 1980; Japan, Dec. 17, 1979; Republic of Korea, June 10, 1980; Norway, Dec. 17, 1979; Pakistan, Apr. 1980; Sweden, Dec. 17, 1979; Switzerland, Dec. 17, 1979; U.K., Dec. 17, 1979^{11,13}. U.S., Dec. 17, 1979; Uruguay, Dec. 31, 1979⁹; Yugoslavia, Sept. 16, 1980.⁹
Acceptances deposited: Japan, Apr. 25, 1980; Norway, Dec. 28, 1979.

rations deposited: Austria, May 28, 1979; Finland, Mar. 13, 1980; Sweden, Oct. 10, 1979.

ment on import licensing procedure. Done at Geneva Apr. 12, 1979. Entered into force Jan. 1, 1980. TIAS 8788.

ances: Argentina, Dec. 17, 1979⁹; Albania, Feb. 25, 1980; Austria, Dec. 17, 1979; Canada, Dec. 17, 1979; Chile, Oct. 25, 1979; EEC, Dec. 17, 1979; Finland, Dec. 17, 1979; Hungary, Jan. 21, 1980; Japan, July 11, 1980; Japan, Dec. 17, 1979; New Zealand, Dec. 17, 1979; Norway, Dec. 17, 1979; Romania, June 25, 1979; South Africa, Dec. 18, 1979; Sweden, Dec. 17, 1979; Switzerland, Dec. 17, 1979; U.K., Dec. 17, 1979^{11,13}; U.S., Dec. 17, 1979; Yugoslavia, Sept. 16, 1980⁹. Rations deposited: Japan, Apr. 25, 1979; Norway, Dec. 28, 1979. Rations deposited: Austria, May 28, 1979; Finland, Mar. 13, 1980; Sweden, Oct. 10, 1979.

United Nations

Convention on the privileges and immunities of the U.N. Done at New York Jan. 3, 1946. Entered into force for the U.S. Apr. 29, 1970. TIAS 6900. Ration deposited: F.R.G., Nov. 5, 1980.

IO

Institution of the U.N. Industrial Development Organization, with annexes. Done at Vienna Apr. 8, 1979.² Ration deposited: Iran, Nov. 12, 1980. Rations deposited: Bangladesh, Dec. 17, 1979; Indonesia, Nov. 10, 1980.

Protocol amending the 1980 (part of the international wheat agreement, 1971, as amended (TIAS 7144)). Done at Washington Mar. 11, 1980. Entered into force provisionally July 1, 1980; entered into force definitively for the U.S. Nov. 11, 1980. Ration deposited: U.S., Nov. 11, 1980.

Protocol modifying and further extending the international wheat convention (part of the international wheat agreement), 1971, as amended (TIAS 7144). Done at Washington Mar. 11, 1980. Entered into force provisionally July 1, 1980; entered into force definitively for the U.S. Nov. 11, 1980.

Protocol modifying and further extending the international wheat convention (part of the international wheat agreement), 1971, as amended (TIAS 7144). Done at Washington Mar. 11, 1980. Entered into force provisionally July 1, 1980; entered into force definitively for the U.S. Nov. 11, 1980.

Women

Convention on the elimination of all forms of discrimination against women. Adopted at New York Dec. 18, 1979.² Ratifications deposited: Barbados, Oct. 16, 1980; China, Nov. 4, 1980. Signatures: El Salvador, Nov. 14, 1980; Kampuchea, Oct. 17, 1980.

Convention on the political rights of women. Done at New York Mar. 31, 1953. Entered into force July 7, 1954; for the U.S. July 7, 1976. TIAS 8289. Ratification deposited: Nigeria, Nov. 17, 1980.

WHO

Constitution of the World Health Organization. Done at New York July 22, 1946. Entered into force Apr. 7, 1948; for the U.S. June 21, 1948. TIAS 1808. Acceptance deposited: Saint Lucia, Nov. 11, 1980.

BILATERAL

Bangladesh

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, with exchange of notes. Signed at Dacca Oct. 6, 1980. Enters into force upon the exchange of instruments of ratification.

Brazil

Agreement extending the agreement of Nov. 17, 1977, relating to equal access to ocean carriage of government-controlled cargoes (TIAS 8981), with agreed minutes. Effected by exchange of letters at Washington and Rio de Janeiro Oct. 30, 1980. Entered into force Oct. 30, 1980.

Canada

Agreement extending the agreement of May 14, 1971, as amended and extended (TIAS 7125, 8247), regarding a joint program in the field of experimental remote sensing from satellites and aircraft. Effected by exchange of notes at Washington Oct. 20 and Nov. 6, 1980. Entered into force Nov. 6, 1980; effective May 14, 1980.

Protocol amending the convention of Mar. 2, 1953, for the preservation of the halibut fishery of the Northern Pacific Ocean and Bering Sea (TIAS 2900). Signed at Washington Mar. 29, 1979. Entered into force Oct. 15, 1980. TIAS 9855.

Proclaimed by the President: Nov. 11, 1980.

Protocol to amend the convention for the protection, preservation, and extension of the sockeye salmon fisheries in the Fraser River System of May 26, 1930, as amended (50 Stat. 1355, TIAS 3867).

Signed at Washington Feb. 24, 1977. Entered into force Oct. 15, 1980. TIAS 9854. Proclaimed by the President: Nov. 11, 1980.

China

Agreement on grain trade, with exchanges of letters. Signed at Beijing Oct. 22, 1980. Enters into force Jan. 1, 1981.

Parcel post agreement, with detailed regulations. Signed at Washington, Oct. 9, 1980. Entered into force Nov. 8, 1980.

International express mail agreement, with detailed regulations. Signed at Washington Oct. 9, 1980. Entered into force Oct. 9, 1980.

Denmark

Naturalization convention. Signed at Copenhagen July 20, 1872. Entered into force Mar. 14, 1873. 17 Stat. 941. Notification of termination: U.S., Oct. 3, 1980; effective Oct. 3, 1981.

Finland

Protocol relating to the air transport agreement of Mar. 29, 1949 (TIAS 1945), with exchange of letters. Signed at Washington May 12, 1980. Entered into force: Dec. 7, 1980.

Memorandum of understanding for the development of a cooperative program in the sciences, with annex. Signed at Helsinki Aug. 27, 1980. Entered into force Aug. 27, 1980. TIAS 9848.

France

Convention for the avoidance of double taxation and the prevention of evasion in the cases of taxes on estates, inheritances, and income. Signed at Paris Oct. 18, 1946. Entered into force Oct. 17, 1949. TIAS 1982.

Terminated: Oct. 1, 1980.

Protocol modifying the convention of Oct. 18, 1946 (TIAS 1982), for the avoidance of double taxation and the prevention of evasion in the cases of taxes on estates and inheritances. Signed at Washington May 17, 1948. TIAS 1982. Terminated: Oct. 1, 1980.

Convention supplementing the convention of July 25, 1939 (59 Stat. 893) and Oct. 18, 1946 (TIAS 1982), relating to the avoidance of double taxation as modified and supplemented by the protocol of May 17, 1948 (TIAS 1982). Signed at Washington June 22, 1956. Entered into force June 13, 1957. TIAS 3844. Terminated: Oct. 1, 1980.

Agreement relating to cooperation with respect to research and development activities in the field of civil aviation. Signed

at Washington and Paris July 10, 1980. Entered into force July 10, 1980.

Germany, Federal Republic of
Agreement relating to the taking of evidence. Effected by exchange of notes at Bonn Oct. 17, 1979, and Feb. 1, 1980. Entered into force Feb. 1, 1980.

Agreement on cooperation in coal liquefaction using the SRC-II process. Signed Oct. 5, 1979. Entered into force Oct. 5, 1979.

Protocol relating to the agreement of Oct. 5, 1979, on cooperation in coal liquefaction using the SRC-II process. Signed at Washington July 31, 1980. Entered into force July 31, 1980.

Indonesia
Agreement extending certain provisions of the agreement of June 8, 1960, as amended and extended (TIAS 4557, 6124, 7001) for cooperation concerning civil uses of atomic energy, and requiring IAEA safeguards with respect to all peaceful nuclear activities in Indonesia. Effected by exchange of notes at Jakarta Sept. 16 and 19, 1980. Entered into force Sept. 19, 1980.

International Hydrographic Bureau
Agreement relating to a procedure for United States income tax reimbursement. Effected by exchange of letters at Washington and Monaco Aug. 27 and Oct. 16, 1980. Entered into force Oct. 16, 1980.

Japan
Agreement on cooperation in coal liquefaction using the SRC-II process. Signed at Washington July 31, 1980. Entered into force July 31, 1980.

Memorandum of consultations on provisional measures relating to air transport services. Signed at Tokyo Sept. 20, 1980. Entered into force Sept. 20, 1980.

Mexico
Cooperative agreement to assist the Government of Mexico in combating the Mediterranean fruit fly (MEDFLY). Signed at Mexico and Washington Aug. 26 and Sept. 17, 1980. Entered into force Sept. 17, 1980.

Agreement amending the agreement of Apr. 25, 1980 (TIAS 9772) relating to additional cooperative arrangements to curb the illegal traffic in narcotics. Effected by exchange of notes at Mexico Oct. 10, 1980. Entered into force Oct. 10, 1980.

Morocco
Agreement amending and extending the agreement of July 17, 1979 (TIAS 9618), establishing a Provisional Commission on Educational and Cultural Exchange. Effected by exchange of notes at Rabat Sept. 24, 1980. Entered into force Sept. 24, 1980.

Nicaragua
Loan agreement for the reconstruction program loan. Signed at Managua Oct. 17, 1980. Entered into force Oct. 17, 1980.

Nigeria
Agreement for scientific and technological cooperation. Signed at Lagos Sept. 22, 1980. Entered into force Sept. 22, 1980. Memorandum of understanding on environmental protection. Signed at Lagos Sept. 22, 1980. Entered into force Sept. 22, 1980.

Panama
Agreement relating to jurisdiction over vessels utilizing the Louisiana Offshore Oil Port. Effected by exchange of notes at Washington Mar. 21 and 24, 1980. Entered into force Mar. 24, 1980. Superseded by agreement of Aug. 15 and Oct. 10, 1980.

Senegal
Agreement for scientific and technical cooperation. Signed at Dakar Sept. 30, 1980. Enters into force upon notification of each government to the other that the constitutional formalities in force in each country have been accomplished.

Sweden
Naturalization convention and protocol. Signed at Stockholm May 26, 1869. Entered into force June 14, 1871. 17 Stat. 809.
Notification of termination: United States, Oct. 3, 1980; effective Oct. 3, 1981.

World Intellectual Property Organization
Agreement with the U.S. relating to cooperation in the promotion of industrial property protection. Signed at Geneva Sept. 26, 1980. Entered into force Sept. 26, 1980.

Yugoslavia
Agreement relating to the reciprocal granting of authorization to permit licensed amateur radio operators who are citizens of either country to operate their stations in the other country. Effected by exchange of notes at Belgrade Oct. 31 and Nov. 11, 1980. Entered into force Nov. 11, 1980.

Zimbabwe
Memorandum of understanding on cooperation in the field of agricultural science and technology. Signed at Salisbury Sept. 25, 1980. Entered into force Sept. 25, 1980.

Agreement for scientific and technical cooperation. Signed at Salisbury Sept. 1980. Entered into force Sept. 25, 1980.

- ¹ With statement.
- ² Not in force.
- ³ Not in force for the U.S.
- ⁴ Effective in respect of Bermuda Hong Kong.
- ⁵ Subject to approval.
- ⁶ Effective in respect of the Netherlands Antilles.
- ⁷ With reservation(s).
- ⁸ Subject to ratification or approval.
- ⁹ Subject to ratification, acceptance or approval.
- ¹⁰ With declaration(s).
- ¹¹ In respect of the territories for which it has international responsibility except for: Antigua, Bermuda, Brunei, Cayman Islands, Montserrat, St. Kitts, Nevis, Sovereign Base Areas, Cyprus.
- ¹² Accepted in respect to Hong Kong May 12, 1980.
- ¹³ Exception extended to British Virgin Islands.
- ¹⁴ Ad referendum. ■

November 1980

Events pertaining to Iran may be found on page 28.

November 1
U.S. holds national elections. Republican Party candidate Ronald W. Reagan wins the Presidential election, replacing Jimmy Carter of the Democratic Party.

November 5
U.S. contributes \$250,000 to U.N. World Assembly on the Elderly which to be held August 1982.

Ambassador McHenry signs the Common Fund for Commodities Agreement on behalf of the U.S.

November 11
The Madrid followup meeting of the Conference on Security and Cooperation in Europe (CSCE) opens in Madrid with former Attorney General Griffin B. Bell as chairman of the U.S. delegation and Max M. Kampelman as cochairman.

November 14
Government of Guinea-Bissau is overthrown in a coup d'etat led by its Prime Minister Joao Bernardo Vieira. Iran lifts restrictions on foreign trade.

PRESS RELEASES

as who wish to cover the Iran-Iraq

ember 17
biannual U.S.-European Com-
y (EC) high-level consultations are
Department of State Novem-
1-18. Under Secretary for Economic
s Richard N. Cooper and Director
al for External Relations of the
mission of the European Communi-
Sr Roy Denman lead U.S. and EC
gations, respectively.
eposit of Honduras-El Salvador
e Treaty in OAS ceremony.

ember 19
10th General Assembly of the Orga-
n of American States (OAS) is
in Washington, D.C. Novem-
1-26.
y a vote of 111 to 22, with 12 ab-
entions, U.N. General Assembly repeats
ea for the Soviet Union to withdraw
from Afghanistan.

ember 23
Miami Conference on Caribbean
d Investment, and Development is
November 23-25 in Florida. U.S.
represented by Assistant Secretary
ter-American Affairs, William G.
wer, and Counselor Rozanne L.
gay.
igh-level foreign participation is
rented by Costa Rican President
eo; Prime Ministers Seaga, of
nea; Adams, of Barbados; Charles,
Oninica; Vice President Alfara, of
t Rica; and a number of Minister-
e representatives from the Caribbean
si

ember 24
U.S.-Venezuela exchange instru-
n of ratification of the Maritime
al Treaty.

ember 25
he Government of Upper Volta is
rown in a military coup d'etat led
Cl. Saye Zerbo, a former foreign
nter and the commander of armed
es in Ouagadougou.

ember 29
ecretary Muskie makes official visit
xico, November 29-December 1 to
iv work of U.S.-Mexico Consultative
canism.

ember 30
Uruguay holds plebiscite on new
stitution proposed by ruling military.
osed count was rejected by
proximately 55% of voters. ■

Department of State

Press releases may be obtained from
the Office of Press Relations, Depart-
ment of State, Washington, D.C. 20520.

No.	Date	Subject
310	11/1	Muskie: news conference
*311	10/31	U.S.-Gabon sign Inter- country Agreement.
*312	10/31	Oceans and Interna- tional, Environmental and Scientific Affairs Advisory Committee, Nov. 10.
313	11/2	Muskie: interview on "Issues and Answers."
*314	11/3	Shipping Coordinating Committee (SCC), Subcommittee on Safety of Life at Sea (SOLAS), working group on radiocom- munication, Nov. 20.
*315	11/3	SCC, SOLAS, working group on ship design and equipment, Nov. 20.
*316	10/29	Muskie: question-and- answer session with radio station WOR.
*317	11/5	Thomas D. Boyatt sworn in as Ambassador to Colombia (biographic data).
*318	11/7	Muskie: interview for National Public Radio, Oct. 31.
*319	11/17	Advisory Committee on International Invest- ment, Technology, and Development, working group on international data flows, Dec. 3.
*320	11/17	U.S.-Socialist Republic of Romania sign tex- tile agreement, Sept. 3 and Nov. 3.
321	11/17	U.S.-Micronesia initial a compact of free asso- ciation.
*322	11/17	International Radio Con- sultative Committee (CCIR), study group 1, Dec. 10.
*323	11/17	CCIR, study group 4, Dec. 17.
*324	11/18	U.S.-Socialist Republic of Romania amend bilateral textile agreement.
325	11/19	Muskie: remarks before the General Assembly of the OAS.

*326	11/21	Jamaican Prime Minis- ter Edward Seaga gives keynote address at the Miami Confer- ence on Caribbean Trade, Investment, and Development, Key Biscayne, Nov. 23-25.
*327	11/21	U.S.-Venezuela exchange instruments of ratifi- cation of Maritime Boundary Treaty.
*328	11/25	CCIR, study group 2, Dec. 12.
*329	11/25	Advisory Committee on International Invest- ment, Technology, and Development, working group on accounting standards and U.N./ OECD investment undertakings, Dec. 15.
330	11/25	Advisory Committee on International Invest- ment, Technology, and Development, working group on transborder data flows, Dec. 2.
†331	11/26	<u>Status of the World's Nations, 1980</u> , Depart- ment of State publica- tion 8735, released.

* Not printed in the Bulletin.

† Held for a later issue. ■

U.S.U.N.

Press releases may be obtained from
the Public Affairs Office, U.S. Mission to
the United Nations, 799 United Nations
Plaza, New York N.Y. 10017.

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*87	8/12	Ambassador McCall re- turns from the Carib- bean.
*88	8/18	Statement on Puerto Rico.
89	8/20	Muskie: Jerusalem, Secu- rity Council.
*90	8/25	U.S. delegation to 11th Special Session on De- velopment.
*91	8/25	McHenry: Zimbabwe membership, General As- sembly.

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92	8/25	Muskie: statement at 11th special session.
*93	9/8	McCall: statement at the Crossroads Symposium, Honolulu.
94	9/9	McHenry: Namibia, U.S. House Foreign Affairs Committee, Subcommittee on Africa.
*95	9/12	McHenry: statement issued following assassination of a member of the Cuban mission to the U.N.
*96	9/15	McHenry: statement at the commemoration ceremony for the Ralph Bunche memorial.
*97	9/15	McHenry: statement at the close of the 11th special session.
*98	9/16	McHenry: St. Vincent and the Grenadines membership, General Assembly.
*99	9/17	Petree: decolonization resolution, General Committee.
100	9/22	Muskie: statement to the 35th UNGA.
101	9/28	McHenry: Iran-Iraq conflict, Security Council.
*102	10/3	McCall: foreign economic interests, Committee IV.
*103	10/3	Newsom: foreign economic interests, Committee IV.
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*105	10/10	Atkins: apartheid, Committee III.
*106	10/10	McHenry: apartheid. ■

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South Africa	Pub. 8021	8pp.
Spain	Pub. 7800	8pp.
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U.S. Arms Control and Disarmament Agency—Arms Control 1979. The 19th annual report of the U.S. Arms Control and Disarmament Agency includes transmission letter from the President to the Congress, tables, charts, and figures; discussion of programs and progress in Arms Control issues during 1979; and a list of ACDA officials, Agency expenditures, and descriptions of various Bureaus in the Agency. ACDA Pub. 104. 96pp. (Stock No. 002-000-00077-6.)

The World's Tropical Forests—A Policy Strategy, and Program for the United States. A report to the President by a Interagency Task Force on Tropical Forests. The publication includes references, cites the reasons for concern about forest loss, mechanisms for action, and U.S. recommendations and goals. Tables, charts, and figures included. Pub. 9117. International Organization and Conference Series 145. 55pp. \$3.50. (Stock No. 04-000-01769-5.)

Scientific Research and Technical Development. Agreement with Indonesia. TIAS 9609. 16pp. \$1.50. (Cat. No. S9.10:9609.)

Education—Financing of Exchange Programs. Agreement with Japan. TIAS 9624. 24pp. \$1.75. (Cat. No. S9.10:9615.) ■



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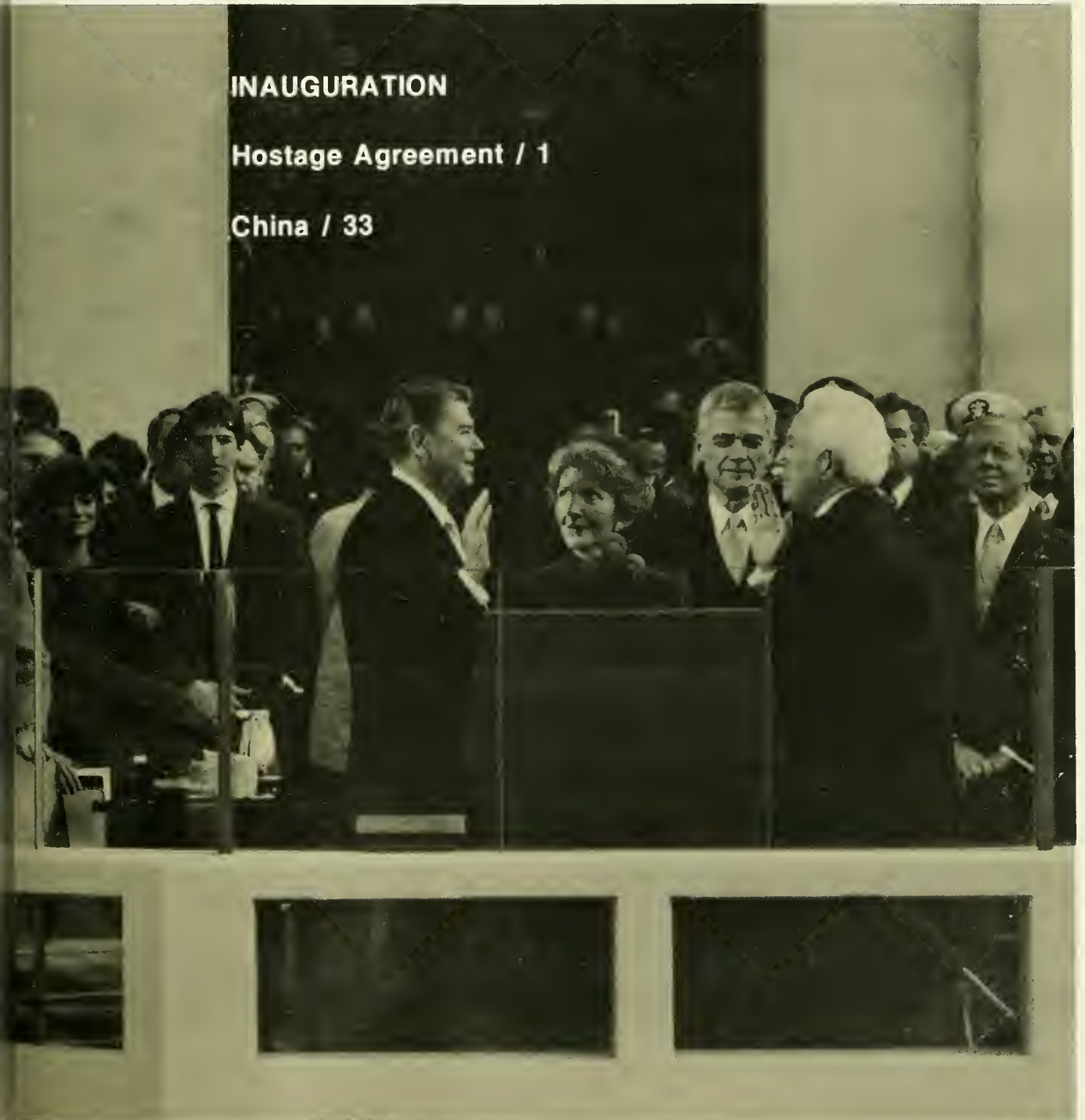
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INAUGURATION

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Department of State bulletin

Volume 81 / Number 2047 / February 1981

Cover Photo:

Ronald Wilson Reagan takes the oath of office as the 40th President of the United States on January 20, 1981. Chief Justice Warren Burger (right) administers the oath while Mrs. Reagan and Senator Mark Hatfield witness the event.

(White House photo by Bill FitzPatrick)

The **DEPARTMENT OF STATE BULLETIN**, published by the Office of Public Communication in the Bureau of Public Affairs, is the official record of U.S. foreign policy. Its purpose is to provide the public, the Congress, and government agencies with information on developments in U.S. foreign relations and the work of the Department of State and the Foreign Service.

The **BULLETIN's** contents include major addresses and news conferences of the President and the Secretary of State; statements made before congressional committees by the Secretary and other senior State Department officials; special features and articles on international affairs; selected press releases issued by the White House, the Department, and the U.S. Mission to the United Nations; and treaties and other agreements to which the United States is or may become a party.

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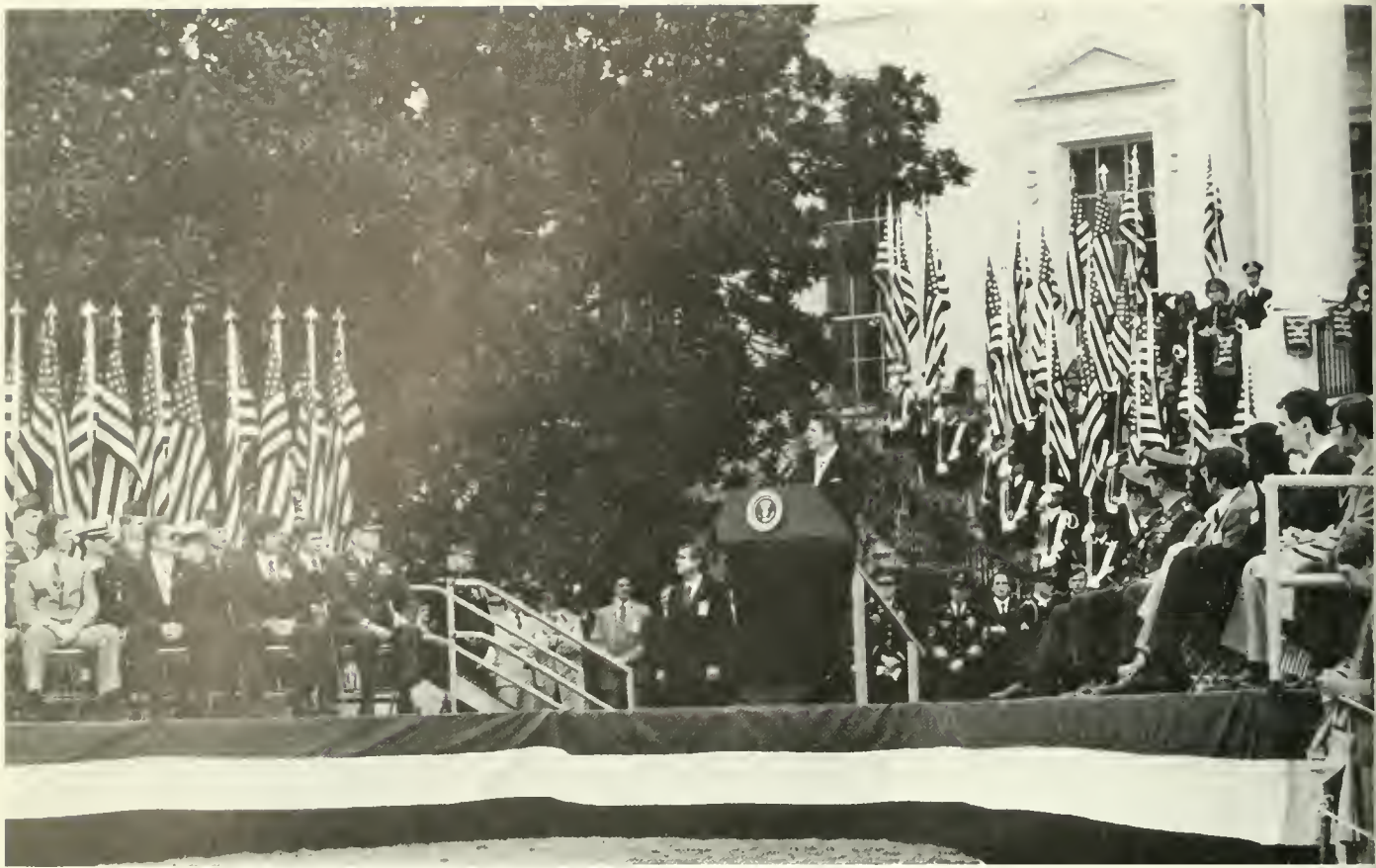
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DEPOSITORY



At a ceremony on the South Lawn of the White House on January 27, 1981, President Reagan officially welcomes 53 Americans who had been held hostage in Iran.

Agreement on the Release of the American Hostages

Following are announcements by President Carter and Secretary Muskie on the release of the 52 American hostages from Iran; two declarations of the Algerian Government initialed in Algiers by Deputy Secretary Christopher concerning the commitments made by the Governments of Iran and the United States on the settlement of claims; undertakings of the Governments of Iran and the United States with respect to the declaration; the escrow agreement; two statements of adherence by President Carter; ten Executive orders; President Carter's message to the Congress; the technical arrangement between the Central Bank of Algeria and the Bank of England and the Federal Reserve Bank of New York; a special briefing by former Secretary Muskie, former Treasury Secretary William Miller, and former Attorney General Benjamin Civiletti; and remarks by President Reagan and L. Bruce Laingen.

PRESIDENT CARTER'S ANNOUNCEMENT, JAN. 19, 1981, 4:56 AM (EST), THE WHITE HOUSE'

President: I know you've been up all night with me and I appreciate that very much.

We have now reached an agreement with Iran which will result, I believe, in the freedom of our American hostages. The last documents have now been signed in Algiers following the signing of the documents in Iran which will result in an agreement. We still have a few documents to sign before the money is actually transferred and the hostages are released.

The essence of the agreement is that following the release of our hostages then we will unfreeze and transfer to the Iranians a major part of the assets which were frozen by me when the Iranians seized our embassy compound and took our hostages.

We have also reached complete agreement on the arbitration procedures between ourselves and Iran with the help of the Algerians which will resolve the claims that exist between residents of our nation and Iran and vice-versa.

I particularly want to express my public thanks, as I have already done privately, to the Algerians, to their President, their Foreign Minister, Ben Yahia, and to the three-man negotiating teams which have done such a superb job in fair and equitable arbitration between our people and the officials of Iran. We don't know exactly how fast this procedure will go. We are prepared to move as

rapidly as possible. All the preparations have been completed pending the final documents being signed.

I will have more to say to you when our American hostages are actually free. In the meantime, Jody Powell will stay in close touch with developments, working with the Secretary of State, the Secretary of the Treasury, my legal counsel, Lloyd Cutler; I'm talking frequently with Warren Christopher in Algiers and Jody Powell will keep you informed about developments. Thank you very much.

Q. How do you feel personally about having the hostages out before you leave office?

The President: I'll wait until the hostages are released and then I'll have another statement to make.

SECRETARY MUSKIE'S ANNOUNCEMENT, JAN. 19, 1981²

To My Colleagues in the Foreign Service

The long and anguishing ordeal of our colleagues held captive in Iran is almost over.

They will soon be free. They will soon be home.

They will be released on terms entirely consistent with our national honor.

But our celebration of their release is muted by the suffering that has been so bravely endured.

This has been a time of terrible trial—not only for our people held captive and their families, but for their friends and colleagues throughout this building and government.

The unrelenting and selfless efforts of so many of you have finally achieved success. I congratulate and thank you for these efforts. And I commend the Foreign Service as a whole for its dedication and discipline throughout this period. Your caring, your efforts, your wise advice have once again demonstrated the high standards of professionalism in a Service the nation is so fortunate to have.

EDMUND S. MUSKIE

DECLARATIONS, JAN. 19, 1981²

DECLARATION OF THE GOVERNMENT OF THE DEMOCRATIC AND POPULAR REPUBLIC OF ALGERIA

The Government of the Democratic and Popular Republic of Algeria, having been requested by the Governments of the Islamic Republic of Iran and the United States of America to serve as an intermediary in seeking a mutually acceptable resolution of the crisis in their relations arising out of the detention of the 52 United States nationals in Iran, has consulted extensively with the two governments as to the commitments which each is willing to make in order to resolve the crisis within the framework of the four points stated in the resolution of November 2, 1980, of the Islamic Consultative Assembly of Iran. On the basis of formal adherences received from Iran and the United States, the Government of Algeria now declares that the following interdependent commitments have been made by the two governments:

GENERAL PRINCIPLES

The undertakings reflected in this Declaration are based on the following general principles:

A. Within the framework of and pursuant to the provisions of the two Declarations of the Government of the Democratic and Popular Republic of Algeria, the United States will restore the financial position of Iran, in so far as possible, to that which existed prior to November 14, 1979. In this context, the United States commits itself to ensure the mobility and free transfer of all Iranian assets within its jurisdiction, as set forth in Paragraphs 4-9.

B. It is the purpose of both parties, within the framework of and pursuant to the provisions of the two Declarations of the Government of the Democratic and Popular Republic of Algeria, to terminate all litigation as between the Government of each party and the nationals of the other, and to bring about the settlement and termination of all such claims through binding arbitration. Through the procedures provided in the Declaration, relating to the Claims Settlement Agreement, the United States agrees to terminate all legal proceedings in United States courts involving claims of United States persons and institutions against Iran and its state enterprises, to nullify all attachments and judgments obtained therein, to prohibit all further litigation based on such claims, and to bring about the termination of such claims through binding arbitration.

Point I: Non-Intervention in Iranian Affairs

1. The United States pledges that it is and from now on will be the policy of the United States not to intervene, directly or indirectly, politically or militarily, in Iran's internal affairs.

Points II and III: Return of Iranian Assets and Settlements of U.S. Claims

2. Iran and the United States (hereinafter "the parties") will immediately select a mutually agreeable central bank (hereinafter "the Central Bank") to act, under the instructions of the Government of Algeria and the Central Bank of Algeria (hereinafter "the Algerian Central Bank") as depositary of the escrow and security funds hereinafter prescribed and will promptly enter into depositary arrangements with the Central Bank in accordance with the terms of this declaration. All funds placed in escrow with the Central Bank pursuant to this declaration shall be held in an account in the name of the Algerian Central Bank. Certain procedures for implementing the obligations set forth in this Declaration and in the Declaration of the Democratic and Popular Republic of Algeria concerning the settlement of claims by the Government of the United States and the Government of the Islamic Republic of Iran (hereinafter "the Claims Settlement Agreement") are separately set forth in certain Undertakings of the Government of the

United States of America and the Government of the Islamic Republic of Iran with respect to the Declaration of the Democratic and Popular Republic of Algeria.

3. The depositary arrangements shall provide that, in the event that the Government of Algeria certifies to the Algerian Central Bank that the 52 U.S. nationals have safely departed from Iran, the Algerian Central Bank will thereupon instruct the Central Bank to transfer immediately all monies or other assets in escrow with the Central Bank pursuant to this declaration, provided that at any time prior to the making of such certification by the Government of Algeria, each of the two parties, Iran and the United States, shall have the right on seventy-two hours notice to terminate its commitments under this declaration.

If such notice is given by the United States and the foregoing certification is made by the Government of Algeria within the seventy-two hour period of notice, the Algerian Central Bank will thereupon instruct the Central Bank to transfer such monies and assets. If the seventy-two hour period of notice by the United States expires without such a certification having been made, or if the notice of termination is delivered by Iran, the Algerian Central Bank will thereupon instruct the Central Bank to return all such monies and assets to the United States, and thereafter the commitments reflected in this declaration shall be of no further force and effect.

ASSETS IN THE FEDERAL RESERVE BANK

4. Commencing upon completion of the requisite escrow arrangements with the Central Bank, the United States will bring about the transfer to the Central Bank of all gold bullion which is owned by Iran and which is in the custody of the Federal Reserve Bank of New York, together with all other Iranian assets (or the cash equivalent thereof) in the custody of the Federal Reserve Bank of New York, to be held by the Central Bank in escrow until such time as their transfer or return is required by Paragraph 3 above.

ASSETS IN FOREIGN BRANCHES OF U.S. BANKS

5. Commencing upon the completion of the requisite escrow arrangements with the Central Bank, the United States will bring about the transfer to the Central Bank, to the account of the Algerian Central Bank, of all Iranian deposits and securities which on or after November 14, 1979, stood upon the books of overseas banking offices of U.S. banks, together with interest thereon through December 31, 1980, to be held by the Central Bank, to the account of the Algerian Central Bank, in escrow until such time as their transfer or return is required in accordance with Paragraph 3 of this Declaration.

ASSETS IN U.S. BRANCHES OF U.S. BANKS

6. Commencing with the adherence by Iran and the United States to this declaration and the claims settlement agreement attached hereto, and following the conclusion of arrangements with the Central Bank for the establishment of the interest-bearing security account specified in that agreement and Paragraph 7 below, which arrangements will be concluded within 30 days from the date of this Declaration, the United States will act to bring about the transfer to the Central Bank within six months from such date, of all Iranian deposits and securities in U.S. banking institutions in the United States, together with interest thereon, to be held by the Central Bank in escrow until such time as their transfer or return is required by Paragraph 3 above.

7. As funds are received by the Central Bank pursuant to Paragraph 6 above, the Algerian Central Bank shall direct the Central Bank to (1) transfer one-half of each such receipt to Iran and (2) place the other half in a special interest-bearing security account in the Central Bank, until the balance in the security account has reached the level of \$1 billion. After the \$1 billion balance has been achieved, the Algerian Central Bank shall direct all funds received pursuant to Paragraph 6 to be transferred to Iran. All funds in the security account are to be used for the sole purpose of securing the payment of, and paying, claims against Iran in accordance with the claims settlement agreement. Whenever the Central Bank shall thereafter notify Iran that the balance in the security account has fallen below \$500 million, Iran shall promptly make new deposits sufficient to maintain a minimum balance of \$500 million in the account. The account shall be so maintained until the President of the Arbitral Tribunal established pursuant to the claims settlement agreement is certified to the Central Bank of Algeria that all arbitral awards against Iran have been satisfied in accordance with the claims settlement agreement, at which point any amount remaining in the security account shall be transferred to Iran.

OTHER ASSETS IN THE U.S. AND ABROAD

8. Commencing with the adherence of Iran and the United States to this declaration and the attached claims settlement agreement, the conclusion of arrangements for the establishment of the security account, which arrangements will be concluded within 30 days from the date of this Declaration, the United States will act to bring about the transfer to the Central Bank of all Iranian financial assets (meaning funds or securities) which are located in the United States and abroad, apart from those assets referred to in Paragraph 5 and above, to be held by the Central Bank in escrow until their transfer or return is required by Paragraph 3 above.

9. Commencing with the adherence by the United States to this declaration and the attached claims settlement agreement made by the Government of Algeria, the certification described in Paragraph 3 above, the United States will arrange, subject to the provisions of U.S. law applicable prior to November 14, 1979, for the transfer to Iran of Iranian properties which are located in the United States and abroad and which are within the scope of the preceding paragraphs.

DECLARATION OF SANCTIONS AND CLAIMS

10. Upon the making by the Government of Algeria of the certification described in Paragraph 3 above, the United States will remove all trade sanctions which were directed against Iran in the period November 4, 1979, to the present.

11. Upon the making by the Government of Algeria of the certification described in Paragraph 3 above, the United States will promptly withdraw all claims now pending against Iran before the International Court of Justice and will thereafter bar and preclude prosecution against Iran of any pending or future claim of the United States or a United States national arising out of events occurring on or after the date of this declaration related to (A) the seizure of the 52 United States nationals in November 4, 1979, (B) their subsequent detention, (C) injury to United States property or the property of the United States nationals in the United States Embassy compound in Tehran after November 3, 1979, and (D) injury to the United States nationals or their property as a result of popular movements in the course of the Islamic Revolution in Iran which were not an act of the Government of Iran. The United States will also bar and preclude the prosecution against Iran in the courts of the United States of any pending or future claim asserted by persons other than United States nationals arising out of the events specified in the preceding sentence.

Part IV: Return of the Assets of the Family of the Former Shah

12. Upon the making by the Government of Algeria of the certification described in Paragraph 3 above, the United States will freeze, and prohibit any transfer of, property and assets in the United States within the control of the estate of the former Shah or of any relative of the former Shah served as a defendant in U.S. litigation brought by Iran to recover such property and assets as belonging to the former Shah. As to any such defendant, including the estate of the former Shah, the freeze order shall remain in effect until such litigation is finally terminated. Violation of the freeze order shall be subject to the civil and criminal penalties prescribed by U.S. law.

13. Upon the making by the Government of Algeria of the certification described in Paragraph 3 above, the United States will

order all persons within U.S. jurisdiction to report to the U.S. Treasury within 30 days, for transmission to Iran, all information known to them, as of November 3, 1979, and as of the date of the order, with respect to the property and assets referred to in Paragraph 12. Violation of the requirement will be subject to the civil and criminal penalties prescribed by U.S. law.

14. Upon the making by the Government of Algeria of the certification described in Paragraph 3 above, the United States will make known, to all appropriate U.S. courts, that in any litigation of the kind described in Paragraph 12 above the claims of Iran should not be considered legally barred either by sovereign immunity principles or by the act of state doctrine and that Iranian decrees and judgments relating to such assets should be enforced by such courts in accordance with United States law.

15. As to any judgment of a U.S. court which calls for the transfer of any property or assets to Iran, the United States hereby guarantees the enforcement of the final judgment to the extent that the property or assets exist within the United States.

16. If any dispute arises between the parties as to whether the United States has fulfilled any obligation imposed upon it by Paragraphs 12-15, inclusive, Iran may submit the dispute to binding arbitration by the tribunal established by, and in accordance with the provisions of, the claims settlement agreement. If the tribunal determines that Iran has suffered a loss as a result of a failure by the United States to fulfill such obligation, it shall make an appropriate award in favor of Iran which may be enforced by Iran in the courts of any nation in accordance with its laws.

SETTLEMENT OF DISPUTES

17. If any other dispute arises between the parties as to the interpretation or performance of any provision of this declaration, either party may submit the dispute to binding arbitration by the tribunal established by, and in accordance with the provisions of, the claims settlement agreement. Any decision of the tribunal with respect to such dispute, including any award of damages to compensate for a loss resulting from a breach of this declaration or the claims settlement agreement, may be enforced by the prevailing party in the courts of any nation in accordance with its laws.

Initialed on January 19, 1981

by Warren M. Christopher
Deputy Secretary of State
of the Government of the United States
By virtue of the powers vested in him by his Government as deposited with the Government of Algeria

DECLARATION OF THE GOVERNMENT OF THE DEMOCRATIC AND POPULAR REPUBLIC OF ALGERIA CONCERNING THE SETTLEMENT OF CLAIMS BY THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF IRAN

The Government of the Democratic and Popular Republic of Algeria, on the basis of formal notice of adherence received from the Government of the Islamic Republic of Iran and the Government of the United States of America, now declares that Iran and the United States have agreed as follows:

ARTICLE I

Iran and the United States will promote the settlement of the claims described in Article II by the parties directly concerned. Any such claims not settled within six months from the date of entry into force of this agreement shall be submitted to binding third-party arbitration in accordance with the terms of this agreement. The aforementioned six months' period may be extended once by three months at the request of either party.

ARTICLE II

1. An International Arbitral Tribunal (the Iran-United States Claims Tribunal) is hereby established for the purpose of deciding claims of nationals of the United States against Iran and claims of nationals of Iran against the United States, and any counterclaim which arises out of the same contract, transaction or occurrence that constitutes the subject matter of that national's claim, if such claims and counterclaims are outstanding on the date of this agreement, whether or not filed with any court, and arise out of debts, contracts (including transactions which are the subject of letters of credit or bank guarantees), expropriations or other measures affecting property rights, excluding claims described in Paragraph 11 of the Declaration of the Government of Algeria of January 19, 1981, and claims arising out of the actions of the United States in response to the conduct described in such paragraph, and excluding claims arising under a binding contract between the parties specifically providing that any disputes thereunder shall be within the sole jurisdiction of the competent Iranian courts in response to the Majlis position.

2. The Tribunal shall also have jurisdiction over official claims of the United States and Iran against each other arising out of contractual arrangements between them for the purchase and sale of goods and services.

3. The Tribunal shall have jurisdiction, as specified in Paragraphs 16-17 of the Declaration of the Government of Algeria of January 19, 1981 over any dispute as to the interpretation or performance of any provision of that declaration.

ARTICLE III

1. The Tribunal shall consist of nine members or such larger multiple of three as Iran and the United States may agree are necessary to conduct its business expeditiously. Within ninety days after the entry into force of this agreement, each government shall appoint one-third of the members. Within thirty days after their appointment, the members so appointed shall by mutual agreement select the remaining third of the members and appoint one of the remaining third President of the Tribunal. Claims may be decided by the full Tribunal or by a panel of three members of the Tribunal as the President shall determine. Each such panel shall be composed by the President and shall consist of one member appointed by each of the three methods set forth above.

2. Members of the Tribunal shall be appointed and the Tribunal shall conduct its business in accordance with the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL) except to the extent modified by the parties or by the Tribunal to ensure that this agreement can be carried out. The UNCITRAL rules for appointing members of three-member Tribunals shall apply *mutatis mutandis* to the appointment of the Tribunal.

3. Claims of nationals of the United States and Iran that are within the scope of this agreement shall be presented to the Tribunal either by claimants themselves, or, in the case of claims of less than \$250,000, by the Government of such national.

4. No claim may be filed with the Tribunal more than one year after the entry into force of this agreement or six months after the date the President is appointed, whichever is later. These deadlines do not apply to the procedures contemplated by Paragraphs 16 and 17 of the Declaration of the Government of Algeria of January 19, 1981.

ARTICLE IV

1. All decisions and awards of the Tribunal shall be final and binding.

2. The President of the Tribunal shall certify, as prescribed in Paragraph 7 of the Declaration of the Government of Algeria of January 19, 1981, when all arbitral awards under this agreement have been satisfied.

3. Any award which the Tribunal may render against either government shall be enforceable against such government in the courts of any nation in accordance with its laws.

ARTICLE V

The Tribunal shall decide all cases on the basis of respect for law, applying such choice of law rules and principles of commercial and international law as the Tribunal determines to be applicable, taking into account relevant

usages of the trade, contract provisions and changed circumstances.

ARTICLE VI

1. The seat of the Tribunal shall be The Hague, The Netherlands, or any other place agreed by Iran and the United States.

2. Each government shall designate an agent at the seat of the Tribunal to represent it to the Tribunal and to receive notices or other communications directed to it or to its nationals, agencies, instrumentalities, or entities in connection with proceedings before the Tribunal.

3. The expenses of the Tribunal shall be borne equally by the two governments.

4. Any question concerning the interpretation or application of this agreement shall be decided by the Tribunal upon the request of either Iran or the United States.

ARTICLE VII

For the purposes of this agreement:

1. A "national" of Iran or of the United States, as the case may be, means (a) a natural person who is a citizen of Iran or the United States; and (b) a corporation or other legal entity which is organized under the laws of Iran or the United States or any of its states or territories, the District of Columbia or the Commonwealth of Puerto Rico, if, collectively, natural persons who are citizens of such country hold, directly or indirectly, an interest in such corporation or entity equivalent to fifty per cent or more of its capital stock.

2. "Claims of nationals" of Iran or the United States, as the case may be, means claims owned continuously, from the date on which the claim arose to the date on which this agreement enters into force, by nationals of that state, including claims that are owned indirectly by such nationals through ownership of capital stock or other proprietary interests in juridical persons, provided that the ownership interests of such nationals, collectively, were sufficient at the time the claim arose to control the corporation or other entity, and provided, further, that the corporation or other entity is not itself entitled to bring a claim under the terms of this agreement. Claims referred to the Arbitral Tribunal shall, as of the date of filing of such claims with the Tribunal, be considered excluded from the jurisdiction of the courts of Iran, or of the United States, or of any other court.

3. "Iran" means the Government of Iran, any political subdivision of Iran, and any agency, instrumentality, or entity controlled by the Government of Iran or any political subdivision thereof.

4. The "United States" means the Government of the United States, any political subdivision of the United States, any agency, instrumentality or entity controlled by the Government of the United States or any political subdivision thereof.

ARTICLE VIII

This agreement shall enter into force when the Government of Algeria has received from both Iran and the United States a notification of adherence to the agreement.

Initialed on January 19, 1981

by Warren M. Christopher
Deputy Secretary of State
of the Government of the United States
By virtue of the powers vested in him by his Government as deposited with the Government of Algeria

UNDERTAKINGS

JAN. 19, 1981³

UNDERTAKINGS OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF IRAN WITH RESPECT TO THE DECLARATION OF THE GOVERNMENT OF THE DEMOCRATIC AND POPULAR REPUBLIC OF ALGERIA

1. At such time as the Algerian Central Bank notifies the Governments of Algeria, Iran, and the United States that it has been notified by the Central Bank that the Central Bank has received for deposit in dollar, gold bullion, and securities accounts in the name of the Algerian Central Bank, as escrow agent, cash and other funds, 1,632,917.779 ounces of gold (valued by the parties for this purpose at \$0.9397 billion) and securities (at face value) in the aggregated amount of \$7.955 billion, Iran shall immediately bring about the safe departure of the 5 U.S. nationals detained in Iran. Upon the mailing by the Government of Algeria of the certification described in Paragraph 3 of the Declaration, the Algerian Central Bank will issue the instructions required by the following paragraph.

2. Iran having affirmed its intention to pay all its debts and those of its controlled institutions, the Algerian Central Bank acting pursuant to Paragraph 1 above will issue the following instructions to the Central Bank:

(A) To transfer \$3.667 billion to the Federal Reserve Bank of New York to pay the unpaid principal of and interest through December 31, 1980 on (1) all loans and credits made by a syndicate of banking institutions, of which U.S. banking institution is a member, to the Government of Iran, its agencies, instrumentalities or controlled entities, and (2) all loans and credits made by such a syndicate which are guaranteed by the Government of Iran or any of its agencies, instrumentalities or controlled entities.

B) To retain \$1.418 billion in the escrow account for the purpose of paying the unpaid principal of the interest owing, if any, on the principal and credits referred to in Paragraph (A) application of the \$3.667 billion and on all indebtedness held by United States banking institutions of, or guaranteed by, the Government of Iran, its agencies, instrumentalities or controlled entities not previously mentioned and for the purpose of paying disputed claims on deposits, assets, and interests, if any, owing on Iranian deposits in U.S. banking institutions. Bank Markazi and the appropriate U.S. banking institutions shall jointly meet in an effort to agree upon the amounts owing.

In the event of such agreement, the Bank Markazi and the appropriate banking institutions shall certify the amount owing to the Central Bank of Algeria which shall instruct the

Bank of England to credit such amount to the account, as appropriate, of the Bank Markazi or of the Federal Reserve Bank of New York in order to permit payment to the appropriate banking institution. In the event that within 30 days any U.S. banking institution and the Bank Markazi are unable to agree upon the amounts owed, either party may refer such dispute to binding arbitration by such international arbitration panel as the parties may agree, or failing such agreement within 30 additional days after such reference, by the Iran-United States Claims Tribunal. The presiding officer of such panel or tribunal shall certify to the Central Bank of Algeria the amount, if any, determined by it to be owed, whereupon the Central Bank of Algeria shall instruct the Bank of England to credit such amount to the account of the Bank Markazi or of the Federal Reserve Bank of New York in

order to permit payment to the appropriate banking institution. After all disputes are resolved either by agreement or by arbitration award and appropriate payment has been made, the balance of the funds referred to in this Paragraph (B) shall be paid to Bank Markazi.

(C) To transfer immediately to, or upon the order of, the Bank Markazi all assets in the escrow account in excess of the amounts referred to in Paragraphs (A) and (B).

Initiated on January 19, 1981

by Warren M. Christopher
Deputy Secretary of State
of the Government of the United States
By virtue of the powers vested in him by his Government as deposited with the Government of Algeria

Chronology, December 1980

December 1

Deputy Secretary Christopher, accompanied by the same delegation that went to Algiers with him on Nov. 10-11, departs for Algiers to meet with Foreign Minister Mohamed Benyahia and to brief Algerian intermediaries thoroughly on the "clarifications" requested on the original U.S. response to its conditions for release of hostages.

December 2

U.S. reply to Iran clarifying U.S. position on release of the hostages is delivered to Algerian intermediaries.

December 4

Through Algerian intermediaries, U.S. asks Iran to speed up discussions on releasing hostages to avoid delays if the crisis is resolved before the inauguration. The U.S. also emphasizes to Iranian officials that President-elect Reagan supports the U.S. position, and the Iranians must understand that if the issue is not settled by January 20, more time will be needed to resolve the crisis because the new Administration will have to select new negotiators and review current policy.

December 11

In Beirut, a leftist newspaper, *As Safir*, reports that the hostages would be released on Christmas day; however, the head of the Iranian hostage commission denies the report.

December 13

In Alexandria, Virginia, State Department officials brief hostages' families on negotiations with Iran. Deputy Secretary Christopher informs them that negotiations, though the intermediaries, are hampered by language problems.

December 15

Bani-Sadr emphasizes that the fate of the hostages rests on the U.S. unfreezing Iranian assets held in U.S. banks.

December 16

Khomeini approves Iran's "final answer" on conditions for releasing hostages. In Washington, U.S. officials caution against expecting any quick solution to the problem.

December 18

Iran's new terms for release of hostages are delivered to Algerian intermediaries.

December 19

In exchange for freeing the hostages Iran's new terms demand that the U.S.:

- Deposit Iranian funds frozen by President Carter in the Algerian Central Bank; and
- Return property owned by the late Shah and his family.

December 20

U.S. views Iran's conditions as unacceptable.

December 21

Iran demands \$24 billion in "guarantees" from the U.S. for recovery of its frozen assets and the late Shah's wealth.

December 22

Speaker of Iran's Parliament states hostages will be put on trial if the \$24 billion demand is not met.

December 25

For the second year, the hostages attend makeshift Christmas services. Monsignor Annibale Bunnini, the Papal Nuncio in Iran, helps officiate at the services.

Iranian TV broadcasts a brief film of the services but plans to release a longer film to distribute by satellite to American TV networks on which hostages are said to send greetings to families and messages to U.S. Government.

December 26

Algerian Ambassador to Tehran, Abdelkarim Gheraieb, visits the 52 hostages and finds them "all in good health and the conditions of their present existence satisfactory."

CBS and Cable News Network televise remarks of 20 of the 52 hostages made on Christmas day in Iran.

Iranian authorities release film of 15 more hostages raising the number shown to 41. Iranian officials state that the remaining 11 not appearing chose not to do so.

Algerian delegation arrives in Washington.

Secretary Muskie meets with Algerian intermediaries to discuss keeping the indirect negotiations with Iran open. Intermediaries encourage Carter Administration to keep negotiations going.

December 28

After Iran publicizes portions of recent exchanges, the U.S. publicizes formal proposals sent to Iran over the last 2 months. Proposals and supporting material contained in three separate documents—one on November 11 and two on December 3—are issued.

December 29

U.S. releases response to Iranian Nov. 2 resolution.

U.S. tells Iran that its "basic position" will not change despite Iran's demand for financial guarantees in advance of freeing the hostages.

December 30

U.S. gives Algerians a "reformulation" of proposals giving Iran an opportunity to end the crisis during the Carter Administration.

December 31

Algerian intermediaries depart U.S. for Algiers. ■

ESCROW AGREEMENT JAN. 19, 1981³

This Escrow Agreement is among the Government of the United States of America, the Federal Reserve Bank of New York (the "FED") acting as fiscal agent of the United States, Bank Markazi Iran, as an interested party, and the Banque Centrale d'Algerie acting as Escrow Agent.

This Agreement is made to implement the relevant provisions of the Declaration of the Government of Algeria of January 19, 1981 (the "Declaration"). These provisions concern the establishment of escrow arrangements for Iranian property tied to the release of United States nationals being held in Iran.

1. In accordance with the obligations set forth in paragraph 4 of the Declaration, and commencing upon the entry into force of this Agreement, the Government of the United States will cause the FED to:

(A) Sell, at a price which is the average for the middle of the market, bid and ask prices for the three business days prior to the sale, all U.S. Government securities in its custody or control as of the date of sale, which are owned by the Government of Iran, or its agencies, instrumentalities or controlled entities; and

(B) Transfer to the Bank of England as depositary for credit to accounts on its books in the name of the Banque Centrale d'Algerie, as Escrow Agent under this Agreement, all securities (other than the aforementioned U.S. Government securities), funds (including the proceeds from the sale of the aforementioned U.S. Government securities), and gold bullion of not less than the same fineness and quality as that originally deposited by the Government of Iran, or its agencies, instrumentalities or controlled entities, which are in the custody or control of the FED and owned by the Government of Iran, or its agencies, instrumentalities or controlled entities as of the date of such transfer.

When the FED transfers the above Iranian property to the Bank of England, the FED will promptly send to the Banque Centrale d'Algerie a document containing all information necessary to identify that Iranian property (type, source, character as principal or interest).

Specific details relating to securities, funds and gold bullion to be transferred by the FED under this paragraph 1 are attached as Appendix A.

2. Pursuant to the obligations set forth in paragraphs 5, 6 and 8 of the Declaration, the Government of the United States will cause Iranian deposits and securities in foreign branches and offices of United States banks, Iranian deposits and securities in domestic branches and offices of United States banks, and other Iranian assets (meaning funds or securities) held by persons or institutions subject to the jurisdiction of the United States, to be transferred to the FED, as fiscal agent of the United States, and then by the FED to the Bank of England for credit to the account on

its books opened in the name of the Banque Centrale d'Algerie as Escrow Agent under this Agreement (the Iranian securities, funds and gold bullion mentioned in paragraph 1 above and deposits, securities and funds mentioned in this paragraph 2 are referred to collectively as "Iranian property").

3. Insofar as Iranian property is received by the Bank of England from the FED in accordance with this Agreement, the Iranian property will be held by the Bank of England in the name of the Banque Centrale d'Algerie as Escrow Agent as follows:

- The securities will be held in one or more securities custody accounts at the Bank of England in the name of the Banque Centrale d'Algerie as Escrow Agent under this Agreement.

- The deposits and funds will be held in one or more dollar accounts opened at the Bank of England in the name of Banque Centrale d'Algerie as Escrow Agent under this Agreement. These deposits and funds will bear interest at rates prevailing in money markets outside the United States.

- The gold bullion will be held in a gold bullion custody account at the Bank of England, in the name of the Banque Centrale d'Algerie as Escrow Agent under this Agreement.

- It will be understood that the Banque Centrale d'Algerie shall have no liability for any reduction in the value of the securities, bullion, and monies held in its name as Escrow Agent at the Bank of England under the provisions of this Agreement.

4. (a) As soon as the Algerian Government certifies in writing to the Banque Centrale d'Algerie that all 52 United States nationals identified in the list given by the United States Government to the Algerian Government in November, 1980, now being held in Iran, have safely departed from Iran, the Banque Centrale d'Algerie will immediately give the instructions to the Bank of England specifically contemplated by the provisions of the Declaration and the Undertakings of the Government of the United States of America and the Government of the Islamic Republic of Iran with respect to the Declaration of the Government of the Democratic and Popular Republic of Algeria, which are made part of this Agreement. The contracting parties resolve to work in good faith to resolve any difficulty that could arise in the course of implementing this Agreement.

(b) In the event that

(i) either the Government of Iran or the Government of the United States notifies the Government of Algeria in writing that it has given notice to terminate its commitments under the Declaration referred to above, and

(ii) a period of 72 hours elapses after the receipt by the Government of Algeria of such notice, during which period the Banque Centrale d'Algerie has not given the Bank of England the instruction described in subparagraph (a) above, the Banque Centrale

d'Algerie will immediately give the instructions to the Bank of England specifically contemplated by the provisions of the Declaration and the Undertakings of the Government of the United States of America and the Government of the Islamic Republic of Iran with respect to the Declaration of the Government of the Democratic and Popular Republic of Algeria.

(c) If the certificate by the Government of Algeria referred to in subparagraph (a) has been given before the United States Government has effectively terminated its commitment under the Declaration, the Iranian property shall be transferred as provided in subparagraph (a) of this paragraph 4.

(d) The funds and deposits held by the Bank of England under this Agreement will earn interest at rates prevailing in money markets outside the United States after the transfer to the account of the Banque Centrale d'Algerie, as Escrow Agent, with the Bank of England, and such interest will be included part of the Iranian property for the purposes of subparagraphs (a) and (b) of this paragraph 4.

5. On the date of the signing of this Agreement by the four parties hereto, the Banque Centrale d'Algerie and the FED will enter into a Technical Arrangement with the Bank of England to implement the provisions of this Agreement.

Pursuant to that Technical Arrangement between the FED, the Bank of England and the Banque Centrale d'Algerie, the FED shall reimburse the Bank of England for losses and expenses as provided in paragraph 10 hereof. The FED will not charge the Banque Centrale d'Algerie for any expenses or disbursements related to the implementation of this Agreement.

6. This Agreement will become effective as soon as it has been signed by the four parties to it and the Banque Centrale d'Algerie and the FED have entered into the Technical Arrangement with the Bank of England referred to in paragraph 5 of this Agreement.

7. Throughout its duration, this Agreement may be amended, canceled, or revoked only with the written concurrence of all four of the signatory parties.

8. Nothing in this Agreement shall be considered as constituting, in whole or in part, a waiver of any immunity to which the Banque Centrale d'Algerie is entitled.

9. A French language version of this Agreement will be prepared as soon as practicable. The English and French versions will be equally authentic and of equal value.

10. This Agreement may be executed in counterparts, each of which constitutes an original.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement on January 20, 1981.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA

WARREN M. CHRISTOPHER

THE FEDERAL RESERVE BANK OF
NEW YORK
FISCAL AGENT OF THE UNITED
STATES

TEST T. PATRIKIS

THE BANK MARKAZI IRAN

THE BANQUE CENTRALE
D'ALGERIE

JAMAL BESSEKHOUD

ABDAR BENOUDATF

APPENDIX A

Properties, Gold Bullion, and Funds to be trans-
ferred by the Federal Reserve Bank of New

International Bank for Reconstruction and
Development Securities \$35 million (face value)
Gold Bullion 1,632,917.746 fine ounces of gold,
good delivery, London bars of a
fineness of 995 parts per 1,000 or
better
Approximately \$1.38 billion

STATEMENTS OF ADHERENCE, JAN. 19, 1981⁴

By the authority vested in me as President
of the Constitution and laws of the United
States, I hereby agree and adhere, on behalf
of the United States of America, to the pro-
visions of two Declarations that are being
signed today by the Government of the
Democratic and Popular Republic of Algeria
relating to (1) the resolution of the current
dispute between the United States and Iran
resulting out of the detention of the fifty-two
United States nationals, and (2) the settle-
ment of claims between the United States
and Iran. The two Declarations shall consti-
tute international agreements legally binding
between the United States and Iran upon the
execution of an equivalent statement of
agreement and adherence by the Islamic
Republic of Iran and the delivery of both
statements to the Government of the Demo-
cratic and Popular Republic of Algeria.

JIMMY CARTER

By the authority vested in me as Presi-
dent by the Constitution and laws of the
United States, I hereby agree and adhere, on
behalf of the United States of America, to
the provisions of the Undertakings of the
Government of the United States of America
toward the Government of the Islamic Republic
of Iran with respect to the Declaration of the
Government of the Democratic and Popular
Republic of Algeria. These Undertakings
shall constitute an international agreement

legally binding upon the United States and
Iran upon the execution of an equivalent
statement of agreement and adherence by
the Islamic Republic of Iran and the delivery
of both statements to the Government of the
Democratic and Popular Republic of Algeria.

JIMMY CARTER

EXECUTIVE ORDERS, JAN. 19, 1981⁴

Direction Relating to Establishment of Escrow Accounts

By the authority vested in me as President
by the Constitution and statutes of the
United States, including Section 203 of the
International Emergency Economic Powers
Act (50 U.S.C. 1702), Section 301 of Title 3 of
the United States Code, Section 1732 of Title
22 of the United States Code, and Section
301 of the National Emergencies Act (50
U.S.C. 1631), in view of the continuing un-
usual and extraordinary threat to the national
security, foreign policy and economy of the
United States upon which I based my decla-
rations of national emergency in Executive
Order 12170, issued November 14, 1979, and
in Executive Order 12211, issued April 17,
1980, in order to implement agreements with
the Government of Iran, as reflected in
Declarations of the Government of the
Democratic and Popular Republic of Algeria
dated January 19, 1981, relating to the
release of U.S. diplomats and nationals being
held as hostages and to the resolution of
claims of United States nationals against
Iran, and to begin the process of normaliza-
tion of relations between the United States
and Iran, it is hereby ordered that as of the
effective date of this Order:

1-101. The Secretary of the Treasury is
authorized to enter into, and to license,
authorize, direct, and compel any appro-
priate official and/or the Federal Reserve
Bank of New York, as fiscal agent of the
United States, to enter into escrow or
related agreements with a foreign central
bank and with the Central Bank of Algeria
under which certain money and other assets,
as and when directed by the Secretary of the
Treasury, shall be credited by the foreign
central bank to an escrow account on its
books in the name of the Central Bank of
Algeria, for transfer to the Government of
Iran if and when the Central Bank of Algeria
receives from the Government of Algeria a
certification that the 52 U.S. diplomats and
nationals being held hostage in Iran have
safely departed from Iran. Such agreements
shall include other parties and terms as
determined by the Secretary of the Treasury
to be appropriate to carry out the purposes
of this Order.

1-102. The Secretary of the Treasury is
authorized to license, authorize, direct, and
compel the Federal Reserve Bank of New
York, as fiscal agent of the United States, to

receive certain money and other assets in
which Iran or its agencies, instrumentalities,
or controlled entities have an interest and to
hold or transfer such money and other
assets, and any interest earned thereon, in
such a manner as he deems necessary to ful-
fill the rights and obligations of the United
States under the Declaration of the Govern-
ment of the Democratic and Popular Repub-
lic of Algeria dated January 19, 1981, and
the escrow and related agreements described
in paragraph 1-101 of this Order. Such
money and other assets may be held in inter-
est-bearing form and where possible shall be
invested with or through the entity holding
the money or asset on the effective date of
this Order.

1-103. Compliance with this Executive
Order, any other Executive Order licensing,
authorizing, directing or compelling the
transfer of the assets referred to in para-
graphs 1-101 and 1-102 of this Order, or any
regulations, instructions, or directions issued
thereunder shall to the extent thereof be a
full acquittance and discharge for all pur-
poses of the obligation of the person making
the same. No person shall be held liable in
any court for or with respect to anything
done or omitted in good faith in connection
with the administration of, or pursuant to
and in reliance on, such orders, regulations,
instructions, or directions.

1-104. The Attorney General shall seek
to intervene in any litigation within the
United States which arises out of this Order
and shall, among other things, defend the
legality of, and all actions taken pursuant to,
each of its provisions.

1-105. The Secretary of the Treasury is
delegated and authorized to exercise all func-
tions vested in the President by the Inter-
national Emergency Economic Powers Act
(50 U.S.C. 1701 *et seq.*) to carry out the pur-
poses of this Order.

1-106. This Order shall be effective
immediately.

JIMMY CARTER

Direction to Transfer Iranian Government Assets

By the authority vested in me as President
by the Constitution and statutes of the
United States, including Section 203 of the
International Emergency Economic Powers
Act (50 U.S.C. 1702), Section 301 of Title 3 of
the United States Code, Section 1732 of Title
22 of the United States Code, and Section
301 of the National Emergencies Act (50
U.S.C. 1631), in view of the continuing un-
usual and extraordinary threat to the national
security, foreign policy and economy of the
United States upon which I based my decla-
rations of national emergency in Executive
Order 12170, issued November 14, 1979, and
in Executive Order 12211, issued April 17,
1980, in order to implement agreements with
the Government of Iran, as reflected in
Declarations of the Government of the
Democratic and Popular Republic of Algeria

dated January 19, 1981, relating to the release of U.S. diplomats and nationals being held as hostages and to the resolution of claims of United States nationals against Iran, and to begin the process of normalization of relations between the United States and Iran and in which Iran and the United States instruct and require that the assets described in this order shall be transferred as set forth below by the holders of such assets, it is hereby ordered that as of the effective date of this Order:

1-101. The Federal Reserve Bank of New York is licensed, authorized, directed, and compelled to transfer to accounts at the Bank of England, and subsequently to transfer to accounts at the Bank of England established pursuant to an escrow agreement approved by the Secretary of the Treasury, all gold bullion, and other assets (or the equivalent thereof) in its custody, of the Government of Iran, or its agencies, instrumentalities or controlled entities. Such transfers shall be executed when and in the manner directed by the Secretary of the Treasury. The Secretary of the Treasury is also authorized to license, authorize, direct, and compel the Federal Reserve Bank of New York to engage in whatever further transactions he deems appropriate and consistent with the purposes of this Order, including any transactions related to the return of such bullion and other assets pursuant to the escrow agreement.

1-102. (a) All licenses and authorizations for acquiring or exercising any right, power, or privilege, by court order, attachment, or otherwise, including the license contained in Section 535.504 of the Iranian Assets Control Regulations, with respect to the properties described in Section 1-101 of this Order are revoked and withdrawn.

(b) All rights, powers, and privileges relating to the properties described in Section 1-101 of this Order and which derive from any attachment, injunction, other like proceedings or process, or other action in any litigation after November 14, 1979, at 8:10 a.m. EST, including those derived from Section 535.504 of the Iranian Assets Control Regulations, other than rights, powers, and privileges of the Government of Iran and its agencies, instrumentalities, and controlled entities, whether acquired by court order or otherwise, are nullified, and all persons claiming any such right, power, or privilege are hereafter barred from exercising the same.

(c) All persons subject to the jurisdiction of the United States are prohibited from acquiring or exercising any right, power, or privilege, whether by court order or otherwise, with respect to the properties (and any income earned thereon) referred to in Section 1-101 of this Order.

1-103. Compliance with this Order, any other Executive Order licensing, authorizing, directing, or compelling the transfer of the assets described in section 1-101 of this Order, or any regulations, instructions, or directions issued thereunder shall to the ex-

tent thereof be a full acquittance and discharge for all purposes of the obligation of the person making the same. No person shall be held liable in any court for or with respect to anything done or omitted in good faith in connection with the administration of, or pursuant to and in reliance on, such orders, regulations, instructions, or directions.

1-104. The Attorney General shall seek to intervene in any litigation within the United States which arises out of this Order and shall, among other things, defend the legality of, and all actions taken pursuant to, each of its provisions.

1-105. The Secretary of the Treasury is delegated and authorized to exercise all functions vested in the President by the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) to carry out the purposes of this Order.

1-106. This Order shall be effective immediately.

JIMMY CARTER

Direction to Transfer Iranian Government Assets Overseas

By the authority vested in me as President by the Constitution and statutes of the United States, including Section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702), Section 301 of Title 3 of the United States Code, Section 1732 of Title 22 of the United States Code, and Section 301 of the National Emergencies Act (50 U.S.C. 1631), in view of the continuing unusual and extraordinary threat to the national security, foreign policy and economy of the United States upon which I based my declarations of national emergency in Executive Order 12170, issued November 14, 1979, and in Executive Order 12211, issued April 17, 1980, in order to implement agreements with the Government of Iran, as reflected in Declarations of the Government of the Democratic and Popular Republic of Algeria dated January 19, 1981, relating to the release of U.S. diplomats and nationals being held as hostages and to the resolution of claims of United States nationals against Iran, and to begin the process of normalization of relations between the United States and Iran and in which Iran and the United States instruct and require that the assets described in this Order shall be transferred as set forth below by the holders of such assets, it is hereby ordered that as of the effective date of this Order:

1-101. Any branch or office of a United States bank or subsidiary thereof, which branch or office is located outside the territory of the United States and which on or after 8:10 a.m. E.S.T. on November 14, 1979 (a) has been or is in possession of funds or securities legally or beneficially owned by the Government of Iran or its agencies, instrumentalities, or controlled entities, or (b) has carried or is carrying on its books deposits standing to the credit of or beneficially owned by such Government, agen-

cies, instrumentalities, or controlled entities is licensed, authorized, directed, and compelled to transfer such funds, securities, deposits, including interest from November 14, 1979, at commercially reasonable rate to the account of the Federal Reserve Bank of New York at the Bank of England, to be held or transferred as directed by the Secretary of the Treasury. The Secretary of the Treasury shall determine when the transfers required by this section shall take place. Funds, securities and deposits described in this section shall be further transferred as provided for in the Declaration of the Government of the Democratic and Popular Republic of Algeria and its Annex.

1-102. Any banking institution subject to the jurisdiction of the United States that has executed a set-off on or after November 14, 1979, at 8:10 a.m. E.S.T. against Iranian funds, securities, or deposits referred to in section 1-101 is hereby licensed, authorized, directed, and compelled to cancel such set-off and to transfer all funds, securities, and deposits which have been subject to such set-off, including interest from November 1979, at commercially reasonable rates, pursuant to the provisions of section 1-101 of this Order.

1-103. If the funds, securities, and deposits described in section 1-101 are not promptly transferred to the control of the Government of Iran, such funds, securities and deposits shall be returned to the banking institutions holding them on the effective date of this Order and the set-offs described in section 1-102 shall be in force as if this Order had not been issued and the status of all such funds, securities, deposits and set-offs shall be *status quo ante*.

1-104. (a) All licenses and authorizations for acquiring or exercising any right, power, or privilege, by court order, attachment, or otherwise, including the license contained in Section 535.504 of the Iranian Assets Control Regulations, with respect to the properties described in sections 1-101 and 1-102 of this Order are revoked and withdrawn.

(b) All rights, powers, and privileges relating to the properties described in sections 1-101 and 1-102 of this Order and which derive from any attachment, injunction, other like proceedings or process, or other action in any litigation after November 14, 1979, at 8:10 a.m. E.S.T., including those derived from Section 535.504 of the Iranian Assets Control Regulations, other than rights, powers, and privileges of the Government of Iran and its agencies, instrumentalities, and controlled entities, whether acquired by court order or otherwise, are nullified, and all persons claiming any such right, power, or privilege are hereafter barred from exercising the same.

(c) All persons subject to the jurisdiction of the United States are prohibited from acquiring or exercising any right, power, or privilege, whether by court order or otherwise, with respect to the properties (and any income earned thereon) referred to in sections 1-101 and 1-102 of this Order.

105. Compliance with this Order, any Executive Order licensing, authorizing, or compelling the transfer of the described in sections 1-101 and 1-102 Order, or any regulations, instructions or directions issued thereunder shall extend thereof be a full acquittance charge for all purposes of the obligation of the person making the same. No person shall be held liable in any court for or respect to anything done or omitted in faith in connection with the administration, or pursuant to and in reliance on, orders, regulations, instructions, or cons.

106. The Attorney General shall seek to intervene in any litigation within the United States which arises out of this Order and, among other things, defend the validity of, and all actions taken pursuant to, its provisions.

107. The Secretary of the Treasury is authorized and authorized to exercise all functions vested in the President by the International Emergency Economic Powers Act (U.S.C. 1701 *et seq.*) to carry out the purpose of this Order.

108. This Order shall be effective immediately.

JIMMY CARTER

Order to Transfer Iranian Government Assets Held by Domestic Banks

Authority vested in me as President by the Constitution and statutes of the United States, including Section 203 of the International Emergency Economic Powers Act (U.S.C. 1702), Section 301 of Title 3 of the United States Code, Section 1732 of Title 5 of the United States Code, and Section 1 of the National Emergencies Act (50 U.S.C. 1631), in view of the continuing unusual and extraordinary threat to the national security, foreign policy and economy of the United States upon which I based my declaration of national emergency in Executive Order 12170, issued November 14, 1979, and Executive Order 12211, issued April 17, 1980, in order to implement agreements with the Government of Iran, as reflected in the declarations of the Government of the Democratic and Popular Republic of Algeria of January 19, 1981, relating to the release of U.S. diplomats and nationals held as hostages and to the resolution of claims of United States nationals against and to begin the process of normalization of relations between the United States and Iran and in which Iran and the United States agreed to instruct and require that the assets deposited in this Order shall be transferred forth below by the holders of such assets, it is hereby ordered that as of the effective date of this Order:

101. Any branch or office of a banking institution subject to the jurisdiction of the

Iran Chronology, January 1981

January 2

After 4 days of talks in Washington, Algerians deliver latest U.S. proposals to Iran.

January 3

In Tehran, Algerian delegation meets with Iranian officials to discuss latest U.S. proposal.

January 4

A report out of Tehran states that three of the hostages—L. Bruce Laingen, Charge d'Affaires, Victor L. Tomseth, a political officer, and Michael Howland, a State Department security officer—have been transferred from the Foreign Ministry in Tehran to a secret location.

January 6

Khomeini gives approval of Algerian assistance in efforts to release hostages.

January 7

Deputy Secretary Christopher departs for Algiers to discuss the status of the negotiations with the Algerian delegation.

January 8

President-elect Reagan states that he could honor any agreement with Iran made by President Carter but also says he reserves the right to draw up new proposals if the crisis is not settled by Jan. 20.

January 9

Deputy Secretary Christopher extends his stay in Algeria because of questions raised by Iranians about U.S. proposals.

January 12

Two bills are introduced by the Iranian Parliament as "emergency" legislation to speed up an agreement with the U.S. One bill would authorize third-party arbitration of claims against Iranian assets and the other would "nationalize" the late Shah's wealth.

January 13

Parliament postpones voting on two bills.

January 14

Parliament approves the bill permitting third-party arbitration of claims on Iranian assets.

January 15

Chief Iranian negotiator, Behzad Nabavi, Iran's Minister of State for Executive Affairs, warns the U.S. that if Iran's "unencumbered frozen assets" are not deposited in Algerian banks by Friday, close of business, negotiations would stop.

January 16

In the event an agreement is made, President Carter takes two major steps:

- He orders an exchange transaction of over \$900 million worth of gold with Britain for eventual transfer to Iran; and
- He orders the sale of Iranian-owned treasury securities in the New York Federal Reserve Bank so that the money can be transferred to Iran.

Nabavi withdraws his earlier statement and declares that there is "no obstacle" to concluding an agreement.

A team of legal and financial experts—five Americans and three British—meet in Algiers in an effort to resolve remaining problems.

January 17

Twelve major U.S. banks reportedly agree that if Tehran agrees to repay a portion of the debts owed them immediately and to settle the rest later, they would drop lawsuits.

At Iran's request, Algeria sends a team of physicians to visit hostages to confirm their good health.

January 18

U.S. and Iran sign final documents agreeing on central issues and issue a final declaration for release of the hostages.

January 19

Freedom of hostages is delayed by objections raised by Iranians over an "appendix" that U.S. bankers reportedly added to the hostage release agreement.

January 20

After 444 days in captivity, hostages are freed!

Two Algerian airliners take them to Algiers where they are met by Deputy Secretary Christopher, Algerian Foreign Minister Benyahia, and U.S. Ambassador to Algeria Ulric Haynes, Jr. After a welcoming ceremony, the hostages are transferred to U.S. Air Force planes which take them to Frankfurt, West Germany, where they board busses which take them to a military hospital in Weisbaden.

January 25

Air Force plane—"Freedom One"—arrives at Stewart International Airport, Newburgh, New York, carrying the 52 former hostages. The Americans are greeted by their families and, after a 70-minute bus ride, arrive at West Point Military Academy.

January 27

The 53 former hostages, including Richard Queen who was released by the Iranian revolutionaries in July 1980, arrive in Washington, D.C., where they are greeted, in an official ceremony, by President Reagan, other U.S. officials, and government employees on the South Lawn of the White House. ■

United States, which branch or office is located within the United States and is, on the effective date, either (a) in possession of funds or securities legally or beneficially owned by the Government of Iran or its agencies, instrumentalities, or controlled entities, or (b) carrying on its books deposits standing to the credit of or beneficially owned by such Government, agencies, instrumentalities, or controlled entities, is licensed, authorized, directed and compelled to transfer such funds, securities, and deposits, including interest from November 14, 1979, at commercially reasonable rates, to the Federal Reserve Bank of New York, to be held or transferred as directed by the Secretary of the Treasury.

1-102. (a) All licenses and authorizations for acquiring or exercising any right, power, or privilege, by court order, attachment, or otherwise, including the license contained in Section 535.504 of the Iranian Assets Control Regulations, with respect to the properties described in Section 1-101 of this Order are revoked and withdrawn.

(b) All rights, powers, and privileges relating to the properties described in Section 1-101 of this Order and which derive from any attachment, injunction, other like proceedings or process, or other action in any litigation after November 14, 1979, at 8:10 a.m. EST, including those derived from Section 535.504 of the Iranian Assets Control Regulations, other than rights, powers, and privileges of the Government of Iran and its agencies, instrumentalities, and controlled entities, whether acquired by court order or otherwise, are nullified, and all persons claiming any such right, power, or privilege are hereafter barred from exercising the same.

(c) All persons subject to the jurisdiction of the United States are prohibited from acquiring or exercising any right, power, or privilege whether by court order or otherwise, with respect to the properties (and any income earned thereon) referred to in Section 1-101 of this Order.

1-103. Compliance with this Order, any other Executive Order licensing, authorizing, directing or compelling the transfer of the assets described in Section 1-101 of this Order, or any regulations, instructions, or directions issued thereunder shall to the extent thereof be a full acquittance and discharge for all purposes of the obligation of the person making the same. No person shall be held liable in any court for or with respect to anything done or omitted in good faith in connection with the administration of, or pursuant to and in reliance on, such orders, regulations, instructions, or directions.

1-104. The Attorney General shall seek to intervene in any litigation within the United States which arises out of this Order and shall, among other things, defend the legality of, and all actions taken pursuant to, each of its provisions.

1-105. The Secretary of the Treasury is delegated and authorized to exercise all functions vested in the President by the Inter-

national Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) to carry out the purposes of this Order.

1-106. This Order shall be effective immediately.

JIMMY CARTER

Direction to Transfer Iranian Government Financial Assets Held by Non-Banking Institutions

By the authority vested in me as President by the Constitution and statutes of the United States, including Section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702), Section 301 of Title 3 of the United States Code, Section 1732 of Title 22 of the United States Code, and Section 301 of the National Emergencies Act (50 U.S.C. 1631), in view of the continuing unusual and extraordinary threat to the national security, foreign policy and economy of the United States upon which I based my declarations of national emergency in Executive Order 12170, issued November 14, 1979, and in Executive Order 12211, issued April 17, 1980, in order to implement agreements with the Government of Iran, as reflected in Declarations of the Government of the Democratic and Popular Republic of Algeria dated January 19, 1981, relating to the release of U.S. diplomats and nationals being held as hostages and to the resolution of claims of United States nationals against Iran, and to begin the process of normalization of relations between the United States and Iran and in which Iran and the United States instruct and require that the assets described in this Order shall be transferred as set forth below by the holders of such assets, it is hereby ordered that as of the effective date of this Order:

1-101. Any person subject to the jurisdiction of the United States which is not a banking institution and is on the effective date in possession or control of funds or securities of Iran or its agencies, instrumentalities, or controlled entities is licensed, authorized, directed and compelled to transfer such funds or securities to the Federal Reserve Bank of New York to be held or transferred as directed by the Secretary of the Treasury.

1-102. (a) All licenses and authorizations for acquiring or exercising any right, power, or privilege, by court order, attachment, or otherwise, including the license contained in Section 535.504 of the Iranian Assets Control Regulations, with respect to the properties described in Section 1-101 of this Order are revoked and withdrawn.

(b) All rights, powers, and privileges relating to the properties described in section 1-101 of this Order and which derive from any attachment, injunction, other like proceedings or process, or other action in any litigation after November 14, 1979, at 8:10 a.m. EST, including those derived from Section 535.504 of the Iranian Assets Control Regulations, other than rights, powers, and privileges of the Government of Iran and its

agencies, instrumentalities, and controlled entities, whether acquired by court order or otherwise, are nullified, and all persons claiming any such right, power, or privilege are hereafter barred from exercising the same.

(c) All persons subject to the jurisdiction of the United States are prohibited from acquiring or exercising any right, power, or privilege, whether by court order or otherwise, with respect to the properties (and any income earned thereon) referred to in Section 1-101 of this Order.

1-103. Compliance with this Executive Order, any other Executive Order licensing, authorizing, directing or compelling the transfer of the assets described in paragraph 1-101 of this Order, or any regulations, instructions, or directions issued thereunder shall to the extent thereof be a full acquittance and discharge for all purposes of the obligation of the person making the same. No person shall be held liable in any court for or with respect to anything done or omitted in good faith in connection with the administration of, or pursuant to and in reliance on, such orders, regulations, instructions, or directions.

1-104. The Attorney General shall seek to intervene in any litigation within the United States which arises out of this Order and shall, among other things, defend the legality of, and all actions taken pursuant to, each of its provisions.

1-105. The Secretary of the Treasury is delegated and authorized to exercise all functions vested in the President by the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) to carry out the purposes of this Order.

1-106. This Order shall be effective immediately.

JIMMY CARTER

Direction to Transfer Certain Iranian Government Assets

By the authority vested in me as President by the Constitution and statutes of the United States, including Section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702), Section 301 of Title 3 of the United States Code, Section 1732 of Title 22 of the United States Code, and Section 301 of the National Emergencies Act (50 U.S.C. 1631), in view of the continuing unusual and extraordinary threat to the national security, foreign policy and economy of the United States upon which I based my declarations of national emergency in Executive Order 12170, issued November 14, 1979, and in Executive Order 12211, issued April 17, 1980, in order to implement agreements with the Government of Iran, as reflected in Declarations of the Government of the Democratic and Popular Republic of Algeria dated January 19, 1981, relating to the release of U.S. diplomats and nationals being held as hostages and to the resolution of claims of United States nationals against Iran, and to begin the process of normalization of relations between the United States and Iran and in which Iran and the United

instruct and require that the assets held in this Order shall be transferred forth below by the holders of such assets. It is hereby ordered that as of the effective date of this Order:

-101. All persons subject to the jurisdiction of the United States in possession or control of properties, not including funds and instrumentalities, owned by Iran or its agencies, instrumentalities, or controlled entities are ordered, authorized, directed and compelled to transfer such properties, as directed after the effective date of this Order by the Government of Iran, acting through its authorized representatives. Except where specifically stated, this order, authorization, and direction does not apply to persons subject to the jurisdiction of the United States from existing legal requirements other than those based upon the International Emergency Economic Powers Act.

-102. (a) All licenses and authorizations requiring or exercising any right, power, privilege, by court order, attachment, or otherwise, including the license contained in Executive Order 535.504 of the Iranian Assets Control Regulations, with respect to the properties held in Section 1-101 of this Order are ordered and withdrawn.

(b) All rights, powers, and privileges relating to the properties described in Section 1-101 of this Order and which derive from any attachment, injunction, other like order or process, or other action in litigation after November 14, 1979, at 11:00 a.m. EST, including those derived from Executive Order 535.504 of the Iranian Assets Control Regulations, other than rights, powers, and privileges of the Government of Iran and its agencies, instrumentalities, and controlled entities, whether acquired by court order or otherwise, are nullified, and all persons exercising any such right, power, or privilege are thereafter barred from exercising the same.

(c) All persons subject to the jurisdiction of the United States are prohibited from exercising or exercising any right, power, or privilege, whether by court order or otherwise, with respect to the properties (and any proceeds thereon) referred to in Section 1-101 of this Order.

-103. Compliance with this Executive Order, any other Executive Order licensing, authorizing, directing or compelling the transfer of the assets described in paragraph 1-101 of this Order, or any regulations, orders, or directions issued thereunder to the extent thereof be a full acquittal and discharge for all purposes of the United States of the person making the same. No person shall be held liable in any court with respect to anything done or ordered in good faith in connection with the administration of, or pursuant to and in reliance upon, such orders, regulations, instructions or directions.

-104. The Attorney General shall seek to intervene in any litigation within the United States which arises out of this Order and, among other things, defend the United States and all actions taken pursuant to, or in support of, its provisions.

1-105. The Secretary of the Treasury is delegated and authorized to exercise all functions vested in the President by the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) to carry out the purposes of this Order.

1-106. This Order shall be effective immediately.

JIMMY CARTER

Revocation of Prohibitions Against Transactions Involving Iran

By the authority vested in me as President by the Constitution and statutes of the United States, including Section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702), Section 301 of Title 3 of the United States Code, Section 1732 of Title 22 of the United States Code, and Section 301 of the National Emergencies Act (50 U.S.C. 1631), in view of the continuing unusual and extraordinary threat to the national security, foreign policy and economy of the United States upon which I based my declarations of national emergency in Executive Order 12170, issued November 14, 1979, and in Executive Order 12211, issued April 17, 1980, in order to implement agreements with the Government of Iran, as reflected in Declarations of the Government of the Democratic and Popular Republic of Algeria dated January 19, 1981, relating to the release of U.S. diplomats and nationals being held as hostages and to the resolution of claims of United States nationals against Iran, and to begin the process of normalization of relations between the United States and Iran, it is hereby ordered that as of the effective date of this Order:

1-101. The prohibitions contained in Executive Order 12205 of April 7, 1980, and Executive Order 12211 of April 17, 1980, and Proclamation 4702 of November 12, 1979, are hereby revoked.

1-102. The Secretary of the Treasury is delegated and authorized to exercise all functions vested in the President by the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) to carry out the purpose of this Order.

1-103. This Order shall be effective immediately.

JIMMY CARTER

Non-Prosecution of Claims of Hostages and for Actions at the United States Embassy and Elsewhere

By the authority vested in me as President by the Constitution and statutes of the United States, including Section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702), Section 301 of Title 3 of the United States Code, Section 1732 of Title 22 of the United States Code, and Section 301 of the National Emergencies Act (50 U.S.C. 1631), in view of the continuing unusual and extraordinary threat to the national security, foreign policy and economy

of the United States upon which I based my declarations of national emergency in Executive Order 12170, issued November 14, 1979, and in Executive Order 12211, issued April 17, 1980, in order to implement agreements with the Government of Iran, as reflected in Declarations of the Government of the Democratic and Popular Republic of Algeria dated January 19, 1981, relating to the release of U.S. diplomats and nationals being held as hostages and to the resolution of claims of United States nationals against Iran, and to begin the process of normalization of relations between the United States and Iran, it is hereby ordered that as of the effective date of this Order:

1-101. The Secretary of the Treasury shall promulgate regulations: (a) prohibiting any person subject to U.S. jurisdiction from prosecuting in any court within the United States or elsewhere any claim against the Government of Iran arising out of events occurring before the date of this Order relating to (1) the seizure of the hostages on November 4, 1979, (2) their subsequent detention, (3) injury to United States property or property of United States nationals within the United States Embassy compound in Tehran after November 3, 1979, or (4) injury to United States nationals or their property as a result of popular movements in the course of the Islamic Revolution in Iran which were not an act of the Government of Iran; (b) prohibiting any person not a U.S. national from prosecuting any such claim in any court within the United States; (c) ordering the termination of any previously instituted judicial proceedings based upon such claims; and (d) prohibiting the enforcement of any judicial order issued in the course of such proceedings.

1-102. The Attorney General of the United States is authorized and directed, immediately upon the issuance of regulations in accordance with Section 1-101, to take all appropriate measures to notify all appropriate courts of the existence of this Order and implementing regulations and the resulting termination of litigation.

1-103. The Secretary of the Treasury is delegated and authorized to exercise all functions vested in the President by the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) to carry out the purpose of this Order.

1-104. This Order shall be effective immediately.

JIMMY CARTER

Restrictions on the Transfer of Property of the Former Shah of Iran

By the authority vested in me as President by the Constitution and statutes of the United States, including Section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702), Section 301 of Title 3 of the United States Code, Section 1732 of Title 22 of the United States Code, and Section 301 of the National Emergencies Act (50 U.S.C. 1631), in view of the continuing un-

sual and extraordinary threat to the national security, foreign policy and economy of the United States upon which I based my declarations of national emergency in Executive Order 12170, issued November 14, 1979, and in Executive Order 12211, issued April 17, 1980, in order to implement agreements with the Government of Iran, as reflected in Declarations of the Government of Democratic and Popular Republic of Algeria dated January 19, 1981, relating to the release of U.S. diplomats and nationals being held as hostages and to the resolution of claims of United States nationals against Iran, and to begin the process of normalization of relations between the United States and Iran, it is hereby ordered that as of the effective date of this Order:

1-101. For the purpose of protecting the rights of litigants in courts within the United States, all property and assets located in the United States within the control of the estate of Mohammad Reza Pahlavi, the former Shah of Iran, or any close relative of the former Shah served as a defendant in litigation in such courts brought by Iran seeking the return of property alleged to belong to Iran, is hereby blocked as to each such estate or person until all such litigation against such estate or person is finally terminated.

1-102. The Secretary of the Treasury is authorized and directed (a) to promulgate regulations requiring all persons who are subject to the jurisdiction of the United States and who, as of November 3, 1979, or as of this date, have actual or constructive possession of property of the kind described in Section 1-101, or knowledge of such possession by others, to report such possession or knowledge thereof, to the Secretary of the Treasury in accordance with such regulations and (b) to make available to the Government of Iran or its designated agents all identifying information derived from such reports to the fullest extent permitted by law. Such reports shall be required as to all individuals described in 1-101 and shall be required to be filed within 30 days after publication of a notice in the *Federal Register*.

1-103. The Secretary of the Treasury is authorized and directed (a) to require all agencies within the Executive Branch of the United States Government to deliver to the Secretary all official financial books and records which serve to identify any property of the kind described in Section 1-101 of this Order, and (b) to make available to the Government of Iran or its designated agents all identifying information derived from such books and records to the fullest extent permitted by law.

1-104. The Attorney General of the United States having advised the President of his opinion that no claim on behalf of the Government of Iran for the recovery of property of the kind described in Section 1-101 of this Order should be considered legally barred either by sovereign immunity principles or by the act of state doctrine, the

Attorney General is authorized and directed to prepare, and upon the request of counsel representing the Government of Iran to present to the appropriate court or courts within the United States, suggestions of interest reflecting that such is the position of the United States, and that it is also the position of the United States that Iranian decrees and judgments relating to the assets of the former Shah and the persons described in Section 1-101 should be enforced by such courts in accordance with United States law.

1-105. The Secretary of the Treasury is delegated and authorized to exercise all functions vested in the President by the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) to carry out the purposes of this Order.

1-106. This Order shall be effective immediately.

JIMMY CARTER

President's Commission on Hostage Compensation

By the authority vested in me by the Constitution and statutes of the United States of America, and as President of the United States of America, in accordance with the Federal Advisory Committee Act, as amended (5 U.S.C. App. I), it is hereby ordered as follows:

1-1. Establishment.

1-101. There is established the President's Commission on Hostage Compensation, hereinafter referred to as the Commission, which shall be composed of not more than nine members who shall be appointed by the President.

1-102. The President shall designate a Chairman from among the members.

1-2. Functions.

1-201. The Commission shall study and analyze, and make recommendations to the President on, the question whether the United States should provide financial compensation to United States nationals who have been held in captivity outside the United States, either (1) by or with the approval of a foreign government, or (2) by reason of their status as employees of the United States Government or as dependents of such employees.

1-202. The Commission shall submit a report to the President ninety days after the date of this Order. The report shall contain the Commission's recommendations as to whether legislation to deal with the foregoing compensation issue is appropriate and, if so, as to what such legislation should provide. The report shall specifically contain the Commission's recommendations concerning the compensation of United States nationals held hostage in Iran on and after November 4, 1979.

1-203. In analyzing the foregoing issues the Commission shall consider all factors which it may consider relevant, including the

prior practice with respect to government compensation, both by the United States Government and by foreign governments persons held in captivity abroad.

1-204. In the performance of its functions the Commission shall specifically address the following issues:

(a) whether any legislation authorizing compensation should set forth specific legislative standards, or whether the standards by which to award compensation should be administratively developed;

(b) whether any standards developed either legislatively or administratively should be applied uniformly to civilian and military government employees, dependents of such employees, and private citizens, or whether separate criteria should be developed for these or other categories;

(c) whether an existing administrative body should determine amounts of compensation, or whether a new body should be established for this purpose; and

(d) whether compensation should be provided for injuries suffered by members of families of persons who have been held in captivity.

1-3. Administrative Provisions.

1-301. In performing its functions the Commission shall conduct such studies, reviews, and inquiries as may be necessary. In addition to conducting open meetings in accordance with the Federal Advisory Committee Act, the Commission shall conduct public hearings to identify critical issues and possible solutions related to compensation.

1-302. The Commission is authorized to request from any Executive agency such information that may be deemed necessary to carry out its functions under this Order. Each Executive agency shall, to the extent permitted by law, furnish such information to the Commission in the performance of its functions under this Order.

1-303. Each member of the Commission who is not otherwise employed in the Federal Government may receive, to the extent permitted by law, compensation for each day he or she is engaged in the work of the Commission at a rate not to exceed the maximum daily rate now or hereafter prescribed by law for GS-18 of the General Schedule, and may also receive transportation and travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U.S.C. 5502 and 5703).

1-304. All necessary administrative services, support, facilities, and expenses of the Commission shall, to the extent permitted by law, be furnished by the Department of State.

1-4. General Provisions.

1-401. Notwithstanding the provisions of any other Executive Order, the functions of the President under the Federal Advisory Committee Act, as amended (5 U.S.C. App. I), except that of reporting annually to the President, which are applicable to the Commission, shall be performed by the Secretary

in accordance with guidelines and procedures established by the Administrator of Federal Services.

1-402. The Commission shall terminate 30 days after submitting its report.

JIMMY CARTER

MESSAGE TO THE CONGRESS, JAN. 19, 1981³

Pursuant to Section 204(b) of the International Emergency Economic Powers Act, 50 U.S.C. 1703, I hereby report to the Congress that I have today exercised the authority conferred by this Act to take certain measures with respect to property of the Government of Iran and its controlled entities and instrumentalities.

1. On November 14, 1979, I took the action of blocking certain property and interests in property of the Government of Iran and its controlled entities and instrumentalities. This action was taken in response to a series of aggressive actions by Iran, including the attack on the United States Embassy in Tehran, the holding of U.S. citizens and Americans as hostages, and threats to withdraw assets from United States banks, and otherwise seek to harm the economic and financial interests of the United States. Subsequently, on April 7, 1980, and April 17, 1980, I took further action restricting various kinds of transactions with Iran by persons subject to the jurisdiction of the United States.

2. Agreement has now been reached with Iran concerning the release of the hostages and the settlement of claims of U.S. nationals against Iran. Among other things, the agreement involves the payment by Iran of approximately \$3.67 billion to pay off principal and interest outstanding on syndicated agreements in which a U.S. bank is a party. This includes making all necessary payments to the foreign members of these syndicates. An additional \$1.418 billion shall be made available to pay all other loans as well as any disputes as to the amounts involved and to pay additional interest to banks upon agreement or arbitration with Iran. In addition, there will be established an international tribunal to adjudicate various disputed claims by U.S. nationals against Iran; and the deposit of \$1 billion by Iran from previously blocked assets as released, which will be available for payments of awards against Iran. Iran has committed itself to replenish this fund as necessary. This tribunal, among other things, will also hear certain disputes between Iranian nationals and the United States Government and contractual disputes between Iranian and United States.

In connection with this agreement, and to begin the process of normalization of relations between the two countries, I have signed and will issue, a series of Orders.

3. First, I have signed an Executive Order authorizing the Secretary of the Treasury to enter into or to direct the Fed-

eral Reserve Bank of New York to enter into escrow and depositary agreements with the Bank of England.

Under these agreements, assets in the escrow account will be returned to the control of Iran upon the safe departure of the United States hostages from Iran. I have also by this Order instructed the Federal Reserve Bank of New York, as fiscal agent of the United States, to receive other blocked Iranian assets, and, as further directed by the Secretary of the Treasury, to transfer these assets to the escrow account.

4. Second, I have signed an Executive Order directing the Federal Reserve Bank of New York to transfer to its account at the Bank of England and then to the escrow account referred to in the preceding paragraph, the assets of the Government of Iran, both transfers to take place as and when directed by the Secretary of the Treasury.

In order to assure that this transaction can be executed, and having considered the claims settlement agreement described above, I have exercised my authority to nullify, and barred the exercise of, all rights, powers or privileges acquired by anyone; I have revoked all licenses and authorizations for acquiring any rights, powers, or privileges; and I have prohibited anyone from acquiring or exercising any right, power, or privileges, all with respect to these properties of Iran. These prohibitions and nullifications apply to rights, powers, or privileges whether acquired by court order, attachment, or otherwise. I have also prohibited any attachment or other like proceeding or process affecting these properties.

5. Third, I have signed an Executive Order which directs branches and offices of United States banks located outside the United States to transfer all Iranian government funds, deposits and securities held by them on their books on or after November 14, 1979 at 8:10 a.m. EST to the account of the Federal Reserve Bank of New York at the Bank of England in London. These assets will be transferred to the account of the Central Bank of Algeria, as escrow agent. The transfer is to include interest from the date of the blocking order at commercially reasonable rates. In addition, any banking institution that has executed a set-off subsequent to the date of the blocking order against Iranian deposits covered by this order is directed to cancel the set-off and to transfer the funds that had been subject to the set-off in the same manner as the other overseas deposits.

This Order also provides for the revocation of licenses and the nullifications and bars described in paragraph 4 of this report.

6. Fourth, I will have signed an Executive Order directing American banks located within the United States which hold Iranian deposits to transfer those deposits, including interest from the date of entry of the blocking order at commercially reasonable rates, to the Federal Reserve Bank of New York, to be held or transferred as directed by the Secretary of the Treasury. Half of these funds will be transferred to Iran and the other half (up to a maximum of \$1 billion)

will be placed in a security account as provided in the Declaration and the Claims Settlement Agreement that are part of the agreement we have reached with Iran. This fund will be maintained at a \$500 million level until the claims program is concluded. While these transfers should take place as soon as possible, I have been advised that court actions may delay it. This Order also provides for the revocation of licenses and the nullifications and bars described in paragraph 4 of this report.

7. Fifth, I have signed an Executive Order directing the transfer to the Federal Reserve Bank of New York by non-banking institutions of funds and securities held by them for the Government of Iran, to be held or transferred as directed by the Secretary of the Treasury. This transfer will be accomplished at approximately the same time as that described in paragraph 6.

This Order also provides for the revocation of licenses and the nullifications and bars described in paragraph 4 of this report.

8. Sixth, I will sign, upon release of the hostages, an Executive Order directing any person subject to the jurisdiction of the United States who is in possession or control of properties owned by Iran, not including funds and securities, to transfer the property as directed by the Government of Iran acting through its authorized agent. The Order recites that it does not relieve persons subject to it from existing legal requirements other than those based on the International Emergency Economic Powers Act. This Order does not apply to contingent liabilities. This Order also provides for the revocation of licenses and the nullifications and bars described in paragraph 4 of this report.

9. Seventh, I will sign, upon release of the hostages, an Executive Order revoking prohibitions previously imposed against transactions involving Iran. The Executive Order revokes prohibitions contained in Executive Order No. 12205 of April 7, 1980; and Executive Order No. 12211 of April 17, 1980; and the amendments contained in Proclamation No. 4702 of November 12, 1979. The two Executive Orders limited trade and financial transactions involving Iran and travel to Iran. The proclamation restricted oil imports. In revoking these sanctions I have no intention of superseding other existing controls relating to exports including the Arms Export Control Act and the Export Administration Act.

10. Eighth, I will sign, upon release of the hostages, an Executive Order providing for the waiver of certain claims against Iran. The Order directs that the Secretary of the Treasury shall promulgate regulations: (a) prohibiting any person subject to U.S. jurisdiction from prosecuting in any court within the United States or elsewhere any claim against the Government of Iran arising out of events occurring before the date of this Order arising out: (1) the seizure of the hostages on November 4, 1979; (2) their subsequent detention; (3) injury to the United States property or property of United States nationals within the United States Embassy

compound in Tehran after November 1979; (4) or injury to United States nationals or their property as a result of popular movements in the course of the Islamic Revolution in Iran which were not an act of the Government of Iran; (b) prohibiting any person not a U.S. national from prosecuting any such claim in any court within the United States; (c) ordering the termination of any previously instituted judicial proceedings based upon such claims; and (d) prohibiting the enforcement of any judicial order issued in the course of such proceedings.

The Order also authorizes and directs the Attorney General of the United States immediately upon the issuance of such a Treasury regulation to notify all appropriate courts of the existence of the Executive Order and implementing regulations and the resulting termination of relevant litigation. At the same time, I will create a commission to make recommendations on the issue of compensation for those who have been held as hostages.

11. Finally, I will sign, upon release of the hostages, an Executive Order invoking the blocking powers of the International Emergency Economic Powers Act to prevent the transfer of property located in the United States and controlled by the estate of Mohammed Reza Pahlavi, the former Shah of Iran, or by any close relative of the former Shah served as a defendant in litigation in the United States courts brought by Iran seeking the return of property alleged to belong to Iran. This Order will remain effective as to each person until litigation concerning such person or estate is terminated. The Order also requires reports from private citizens and Federal agencies concerning this property so that information can be made available to the Government of Iran about this property.

The Order would further direct the Attorney General to assert in appropriate courts that claims of Iran for recovery of this property are not barred by principles of sovereign immunity or the act of state doctrine.

12. In addition to these actions taken pursuant to the International Emergency Economic Powers Act, other relevant statutes, and my powers under the Constitution, I will take the steps necessary to withdraw all claims now pending against Iran before the International Court of Justice. Copies of the Executive Orders are attached.

JIMMY CARTER

TECHNICAL ARRANGEMENT JAN. 20, 1981³

TECHNICAL ARRANGEMENT BETWEEN BANQUE CENTRALE D'ALGERIE AS ESCROW AGENT AND THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND AND THE FEDERAL RESERVE BANK OF NEW YORK AS FISCAL AGENT OF THE UNITED STATES

This Technical Arrangement is made between the Banque Centrale d'Algerie (hereinafter referred to as the "Escrow Agent") as Escrow Agent, the Governor and Company of the Bank of England (hereinafter referred to as the "Bank"), and the Federal Reserve Bank of New York as fiscal agent of the United States (hereinafter referred to as the "FED").

1. The Bank is hereby appointed to hold, invest and distribute, in accordance with the terms of this Technical Arrangement, such of the funds and other property (as identified by the FED on its sole responsibility at the time of transfer) as may be transferred to them by the FED and such other funds or property representing such funds and other property as may from time to time be held by the Bank on such accounts or invested by the Bank pursuant to paragraph 4 hereof (all of which funds and property are collectively referred to as the "Escrow Fund"). The Bank shall act as a depository and shall hold and invest the Escrow Fund in accordance with the arrangements described herein until such time as the Escrow Fund shall have been distributed as provided in paragraph 7 below.

2. The Bank will open in the name of the Escrow Agent the following accounts:

(A) Two securities custody accounts, Securities Custody Account No. 1 and Securities Custody Account No. 2 (the "Securities Custody Accounts");

(B) Three accounts denominated in US dollars, "Dollar Account No. 1", "Dollar Account No. 2" and "Dollar Account No. 3" (the "Dollar Accounts");

(C) A gold bullion custody account (the "Bullion Account") and shall credit the securities to Securities Custody Account No. 1, the dollar deposits to Dollar Account No. 1 and the gold bullion to the Bullion Account when transferred to the Bank by the FED for deposit on such accounts, and shall provide the Escrow Agent with a general description of the funds and other property so transferred.

3. The Bank shall

(A) Hold the securities for the time being in the Securities Custody Accounts in accordance with the provisions of this Arrangement;

(B) Hold the gold bullion for the time being in the Bullion Account in accordance with the provisions of this Arrangement; and

(C) Hold the funds for the time being in the Dollar Accounts on a call basis, so as to ensure the liquidity of those funds, and in accordance with the provisions of this Arrangement.

4. (a) The Bank shall make a good faith effort under the circumstances to invest and reinvest outside the United States the funds on the Dollar Accounts at market rates with such banks and in such manner as the Bank may determine and will pay by way of interest on the funds on those Dollar Accounts sum equivalent to those received by them, subject nevertheless to the deduction from Dollar Account No. 2 of sums equivalent to the amount of their reasonable costs, charges and expenses in respect to the maintenance and operation of Dollar Account No. 2.

(b) Any interest received on the securities in the Securities Custody Account No. 1 shall be credited to Dollar Account No. 1 and any interest received on the Securities Custody Account No. 2 shall be credited to Dollar Account No. 3.

5. The Bank shall invest all monies representing interest paid in respect of any part of the Escrow Fund in the same manner as any funds for the time being on deposit on the Dollar Accounts.

6. The Bank shall not have or incur any liability by reason of any diminution in value of the securities or gold bullion for the time being held in the name of the Escrow Agent on the Securities Custody Accounts and the Bullion Account, respectively.

Similarly, the Escrow Agent shall not have or incur any liability by reason of any diminution in value of the securities or gold bullion for the time being held in its name by the Bank on the Securities Custody Accounts and the Bullion Account respectively. Moreover, the Escrow Agent shall not have or incur any liability for any loss arising from investment of the funds held for the Escrow Agent on the Dollar Accounts.

In addition, the Escrow Agent shall not bear nor be liable for any expenses, charges, costs or fees of any kind incurred by the Bank or the FED in performance of their duties under this Arrangement.

7. In the performance of their duties under this Arrangement, the Bank shall not exercise any discretion designed to favour one of the parties to this Arrangement and shall act only on the instructions of the Escrow Agent.

(a) Provided that no previous instruction has been received under subparagraph below, upon receipt of instructions from the Escrow Agent to do so, in the form provided in paragraph 8 below, the Bank shall immediately transfer the funds then held on Dollar Account No. 1 as follows:

(i) U.S. Dollars 3,667,000,000 to the FED, subject to the FED's sole direction;

(ii) U.S. Dollars 1,418,000,000 to Dollar Account No. 2; and

(iii) the balance to an account of Bank Markazi Iran opened at the Bank, subject to Bank Markazi Iran's sole direction

transfer the securities and bullion then in the Securities Custody Account No. 1 and the Bullion Account respectively to the account of Bank Markazi Iran at the Bank, subject to Bank Markazi Iran's sole direction.

(b) Provided that no previous instructions have been received under subparagraph (a) upon receipt of instructions from the Escrow Agent to do so, in the form provided in paragraph 8 below, the Bank shall immediately transfer the Escrow Fund to the account of the Bank, subject to the FED's sole direction, and close all the Accounts opened under paragraph 2 of this Arrangement.

(c) Any funds or securities received by the Bank from the FED for deposit on any of the accounts described in paragraph 2 of this Arrangement, other than Dollar Account No. 1, receipt and execution by the Bank of instructions referred to in subparagraph (b) above, shall be credited in accordance with the instructions of the Escrow Agent in the form provided in paragraph 8 below, to the account of Bank Markazi Iran at the Bank, subject to Bank Markazi Iran's sole direction, and Dollar Account No. 3 and Securities Custody Account No. 2 at the Bank in the form of the Escrow Agent.

Not later than 30 days after the date of receipt of the instructions, the Escrow Agent shall instruct the Bank to transfer the funds and securities in the accounts to such bank as the Escrow Agent shall direct, for the account of the Banque Centrale d'Algérie.

(d) Upon receipt by the Bank of instructions from the Escrow Agent to do so in the form provided in paragraph 8 below, the Bank shall act as soon as practicable thereafter

(i) transfer such amount as may be required in the instructions from Dollar Account No. 2 to the FED, subject to the FED's sole direction, if sufficient funds then remain in Dollar Account No. 2 to make such transfer;

(ii) transfer the remaining funds on Dollar Account No. 2 to the account of Bank Markazi Iran at the Bank, subject to Bank Markazi Iran's sole direction, and close Dollar Account No. 2.

(e) The Escrow Agent shall not be entitled to give the Bank any instruction other than those described in this paragraph 7, and the Bank shall be entitled and bound to rely on any instruction falling within this paragraph 7 without further inquiry, and any transfer by the Bank in accordance with any instructions referred to them under this paragraph 7 shall constitute a good discharge to the Bank.

(a) The Bank and the Escrow Agent shall exchange telegraphic keys which will permit reciprocal validation of messages and transfer orders; however, the instructions set forth in paragraphs 7(a) and 7(b) shall be in writing, shall be transmitted by telex or by other appropriate means, and shall be authenticated as provided in subparagraph (b) below.

(i) to the Bank or
(ii) to the Deputy Governor of the Bank for and on behalf of the Bank at the Bank of Algiers

and shall be authenticated as provided in subparagraph (b) below. In the event that a telegraphic test is challenged, the Bank and the Escrow Agent agree to contact each other by telex or other appropriate means as rapidly as possible, in order to obtain confirmation of the authenticity of the transmission.

(b) The Bank and the Escrow Agent shall provide each other with a list, which will be revised whenever necessary, of the names of the persons authorised to execute any written notice or instruction required or permitted under this Arrangement and identify the signatures of such designated persons; all such notices or instructions to the Bank shall be effective on receipt by the Bank; the Bank shall not be obliged to act on any such notice or instruction unless properly so authorised, authenticated and delivered in the manner required by this paragraph.

9. Except as provided in paragraph 8 (a) above, any advices, written notices, or instructions permitted or required by this Arrangement shall be given to the parties hereto at the respective addresses shown below:

(i) To the Bank at:

Threadneedle Street
London EC2R 8AH

ATTENTION: D.H.F. Somerset
J.G. Drake
W.B. Moule

(ii) To the FED at:

33 Liberty Street
New-York, New-York 10045

ATTENTION: H. David Willey
George Ryan

(iii) To the Escrow Agent at:

8 Boulevard Zirout Youcef
Algiers, Algeria

ATTENTION: Mr. Mohamed
Bessekhouad
Mr. Bachir Sail
Mr. Mohand Kirat
Mr. Lakhdar
Benouataf

10. The FED shall indemnify and hold the Bank harmless against and shall reimburse the Bank for any loss or expense that they may incur by reason of their acts or omissions under or in connection with this Arrangement, except for

(A) Any loss or expense resulting from their own negligence or wilful misconduct and

(B) Any loss arising from investment of the funds held for the Escrow Agent on Dollar Accounts No. 1, No. 2 and No. 3.

11. The Bank may rely and shall be protected in acting on any instrument, instruction, notice or direction given by the Escrow Agent in accordance with paragraph 7 reasonably believed by them to be genuine and to have been signed or dispatched by the appropriate person or persons.

12. The Bank shall not be liable for any act or omission unless such act or omission involves negligence or wilful misconduct on the part of the Bank. This paragraph 12 does not apply to any loss arising from investment of the funds held for the Escrow Agent on the Dollar Accounts.

13. (a) The Bank shall advise the Escrow Agent by telex as soon as reasonably practicable thereafter of all changes in balances, deposits, interest earned and withdrawals on the six accounts opened and maintained by the Bank for the Escrow Agent as provided in paragraph 2 of this Arrangement.

(b) The Bank shall provide the FED by telex with a list of all debits and credits to the six accounts referred to in subparagraph (a) above.

14. The Bank and the FED accept that the Escrow Agent is a central bank, whose property is normally entitled to the full immunities of a central bank under the State Immunity Act of 1978 of the United Kingdom. Nothing in this Arrangement shall be considered as constituting, in whole or in part, a waiver of any immunity to which they are entitled.

15. Nothing herein shall require the Bank to violate the laws of England or any court order thereunder; the Bank confirms that none of the provisions of this Arrangement is in violation of the laws of England.

16. The provisions hereof may not be modified or changed except by an instrument in writing duly executed by or on behalf of the Escrow Agent, the Bank and the FED.

17. This Arrangement is written in English and French texts but, in the event of any conflict between the two texts, the English text shall prevail.

18. The arrangements described herein shall be governed by and construed in accordance with the laws of England.

Dated 20th of January 1981

BANQUE CENTRALE D'ALGERIE

by MOHAMED BESSEKHOUD
LAKHDAR BENOATAF

THE GOVERNOR AND COMPANY OF
THE BANK OF ENGLAND

by C. W. McMAHON
D.H.F. SOMERSET

FEDERAL RESERVE BANK OF
NEW YORK
AS FISCAL AGENT OF THE UNITED
STATES

by ERNEST T. PATRIKIS

SPECIAL BRIEFING, JAN. 20, 1981

Mr. Muskie. Now that the principal object of the efforts that have been underway for the last 14 months has been achieved and consummated, it is important that you and, through you, the American people understand the agreements which have made that possible. I know you've all been curious about the facts that we hope we can make available to you this afternoon. I have appreciated your patience when I and others have resisted giving you some of this information, but now is the time for the American people to get the whole story and this briefing this afternoon is designed to move us toward that objective as well.

And so if I may, I will briefly outline the nature of the agreements which led to the release of the hostages today. We and the Iranian Government have given the Algerian Government interdependent commitments for a resolution of the hostage crisis. These commitments are in accord with the objectives we stated at the outset of this crisis—the safe return of our people on terms consistent with our national honor and interests.

A guiding principle in negotiating the agreement has been to return matters insofar as possible to where they stood before the hostages were seized—that is, to return property owned by Iran at the same time that our people are released, while protecting legitimate U.S. claimants.

Let me emphasize that the assets that will be returned are Iranian property in the custody of persons subject to U.S. jurisdiction here and abroad. These assets were blocked by the President on November 14, 1979, shortly after the takeover of our Embassy. After careful and thorough evaluation of all relevant factors, the terms of the arrangement were determined to be fair and technically feasible.

The first step in the implementation process called for a number of categories of Iranian assets to be transferred to an escrow account with the Bank of England in the name of the Algerian Central Bank.

The Government of Iran then had to certify to the Algerian Central Bank that the 52 hostages had safely departed Iran. Only when it had been done so could the Algerian Central Bank release a certain portion of these assets to Iran. These steps have now been taken.

One category of the assets of which I am speaking included those Iranian securities in the custody of the Federal Reserve Bank in New York.

Another category of Iranian assets comprised those assets in foreign branches of U.S. banks. These funds with interest, including more than 1.6 million ounces of gold, total just under \$8 billion.

Of these funds, \$3.7 billion will be used to prepay the bank loans, and \$1.4 billion will remain in escrow until any disputed bank loans and interest are sorted out. Most of the claims of these American banks are thus immediately settled, and other claims are 100% protected with the amounts in escrow.

Finally, Iranian assets in domestic branches of U.S. banks and all other Iranian assets located in the U.S. or abroad in the custody of persons subject to U.S. jurisdiction will be transferred to the security account.

Mr. Miller. Will be unblocked.

Mr. Muskie. Yes. They'll be unblocked.

Mr. Miller. They'll be unblocked and used partially for Iran and partially for a security account.

Mr. Muskie. There may be an additional \$1 to \$2 billion or so in other assets. In the context of the release of these assets, Iran is committed to resolve certain claims by U.S. nationals under an agreed claims settlement procedure involving an international arbitration tribunal established by the agreement.

By Executive order, the President ordered the Secretary of the Treasury to license the Federal Reserve Bank of New York to effect the transfer of those assets in the Fed's custody. That transfer had to be completed before the hostages could be released.

The United States will lift import and export sanctions under the agreement once the hostages are released. These sanctions have imposed real costs on Iran in terms of greatly curtailed economic activity and substantial diplomatic isolation. The sanctions weighed increasingly heavily on Iran the longer the hostages were held.

An additional aspect of the agreement concerns the assets that may be located here of the former Shah and his family. The initial Iranian demand for the immediate return of the Shah's property was unacceptable as a matter of principle and law, and we've consistently rejected that demand.

We have, however, undertaken to block the transfer from the United States of any properties belonging to the Shah's estate that may be located here, and to inform the U.S. courts of the U.S. Government position that claims by Iran seeking recovery of the Shah's assets are not legally barred here by sovereign immunity or by the act of state doctrine.

I would like to reiterate our deep appreciation for the assistance of the Algerian intermediaries throughout these difficult weeks. They have carried out their responsibilities in a comprehensive and thoroughly professional manner. We are in Algeria's debt, and its assistance will be long remembered by those of us who have been associated with their efforts and by the American people.

I would like to go to Bill Miller and Ben Civiletti, both of whom, with their people, have been of enormous assistance with the legal and technical aspects of these agreements.

Mr. Miller. Thank you, Secretary Muskie. Let me just call attention again to the principles that Secretary Muskie outlined. I won't repeat them, but the important to remember—not only the release of the assets, but insofar as possible, getting back to the condition that existed before the taking of hostages—the freezing of assets.

Now, with the principles in mind, I would like to just explain a little more how this works so that you will have a little better understanding.

Secretary Muskie mentioned the categories of assets that have been blocked, and I will just call again to your attention that there were three main categories from our point of planning.

- One were the assets that were in the Federal Reserve Bank of New York. That, of course, is the central bank of the United States and, therefore, those assets really are under government control and have a different category of importance than one held by private parties.

- The second category would be the deposits held in branches of U.S. banks outside the United States. These funds are held in the United Kingdom, France and Germany and are subject to the laws and circumstances of those countries, so they again can be treated differently from other assets.

- The third general category would be all the other assets held by or under the control of U.S. nationals or persons in the United States itself. This not only

ed bank deposits but it would also include other financial assets—other properties—that were the properties of the Government of Iran or its instrumentalities.

The two that we could deal with in principle of trying to unblock the assets at the time the hostages were released, the two we could deal with most easily were the first two—the assets in the Federal Reserve and those lodged overseas. So, for that reason, we eventually arrived at the solution setting an arrangement to transfer those assets into escrow in the Bank of England on account of the Central Bank of Algeria so that they would be marshaled ready to be used and released for the purposes intended at such time as the hostages were out of Iran.

If the hostages were not released, those funds would be turned back to where they came from and we'd be back where we were, so no harm would have been done. We would not have, in any way, lost control. We were protected in that regard. On the other hand, if the hostages were certified to be free, then we lost control and the distribution of the escrow fund was agreed to. Of course, that happy event did in fact come about. And so today, having marshaled the assets in the escrow account last night, we were able to have a certificate from the Central Bank of Algeria that the hostages were free, and so the funds were released.

Let me again run over the figures of funds going into escrow, and what happens to them when they come out so you will understand that a little better. Secretary Muskie used the figure of about \$1.4 billion. Let me be a little more precise. The escrow became effective only if it had been certified that not less than \$5.5 billion were in escrow. That was required for the transaction to work. Actually, this morning the Bank of England was able to certify that \$7.977 billion of assets were in the account, and so it obviously met the condition.

The assets in the account consisted of about \$5.5 billion of deposits and international deposits in U.S. bank branches abroad. Those were, in a very complicated transaction, moved into the Federal Reserve Bank of New York account and then moved into an account of the Federal Reserve Bank of New York in the Bank of England, and then moved into escrow.

In addition, the Federal Reserve itself had held, as I mentioned, assets of its own. Those that were represented by securities

and cash items came to about \$1.4 billion. In addition, the Federal Reserve held gold that belonged to the Government of Iran, and as Secretary Muskie pointed out, that was something over 1.6 million ounces of gold, which were valued for this purpose, on a fixed valuation date, at about \$940 million.

Then there were miscellaneous assets coming from custody accounts and securities that added up to the balance and the total came to \$7.977 billion. Once that was certified and that certification was passed in Algiers by the Deputy Governor of the Bank of England to the Deputy Governor of the Central Bank of Algeria, the process started whereby all of the governments involved were notified of that, and the Iranian Government undertook then to start the process of releasing the hostages.

When the announcement was made that the hostages had crossed the frontier and were out of Iranian territory, then the distribution of these assets began. That is under way—I think is actually substantially completed.

The first fund I mentioned, to repeat, is that about \$3.7 billion was returned to the Federal Reserve to be applied to pay off syndicated loans in which U.S. banks were participating, including interest up to a settlement date. That, we understand and we expect, will pay off all those syndicated loans, so they will be completely paid off.

The \$1.4 billion will remain in the escrow account, and it will be used, under binding arbitration, first under opportunities to negotiate bilaterally and to come to settlement but, if not settled under binding arbitration, to pay for any additional bank loans that are not syndicated, or any disputes on the amounts of them, or any disputes on the amount of interest due. The balance in the fund, if you take the \$3.7 and \$1.4—whatever is left over—has been transferred to Iran free and clear. It is now in their hands.

Let's turn to the third category of assets, those in the United States. These will be unblocked, and in due course on a much slower process, because they are much more complicated to gain control and transfer of those assets—at a much slower pace—they, too, will be handled under explicit instructions. As they are made available, they will, through banking arrangements, end up in going 50% to the Government of Iran and 50% into a security account until that security account reaches \$1 billion. Once it reaches \$1 billion, all other released assets go to the Government of Iran.

Then there is an international claims settlement agreement, which will provide for binding arbitration under an international tribunal, the settlement claims of American interests against Iran, and that \$1 billion will be used to pay those claims. And the Government of Iran has a commitment to maintain that security account at a minimum balance of \$500 million, so as claims are paid, if a claim should reduce the balance below \$500 million, the Government of Iran will replenish it, so that there will be security for those claims.

That, I think, gives you a little better understanding of the mechanism by which this works. Obviously, this was a complicated transaction—perhaps the largest transfer of funds of private interests ever accomplished—and therefore did have its complications and its periods of perilous exposure to the fragility of the whole mechanism of marshaling and transferring assets.

I would be happy, of course, to expand upon this and other aspects, but I want merely, before I end my remarks, to express my particular appreciation—not only to Secretary Muskie and Warren Christopher, who have done such a magnificent job, the whole Department of State, and all the other departments of the government. But in my own Department of the Treasury, I have to say that I don't believe this transaction could have been completed without the dedicated work over endless time by Deputy Secretary of the Treasury Robert Carswell and by Assistant Secretary Richard Davis. They have just worked so intensely on this. I could name many others.

We also appreciate the tremendous cooperation we have received from the Federal Reserve Bank in New York and the Federal Reserve system and from all the banks and their attorneys and representatives. You may have heard during the process of this that there was perceived to be some difficulty with U.S. banks. Let me assure you that was not true. We did not comment at the time because it was too delicate a matter for us to try to intervene.

The banks have participated and rendered full cooperation. They tried for a long time to work out, in secret negotiations, a settlement of their overseas deposits and claims with the Iranians through the use of both U.S. attorneys and European attorneys. We tried to combine that negotiation at one time with a program to release the hostages. That did not succeed. We eventually came to this scheme; and once we moved to this scheme, their cooperation was absolute.

Not only in weeks and months before, but starting last Friday, there was around-the-clock—and I mean continuously around-the-clock—involvement with banks and attorneys in Algiers, in London, in New York, and in Washington working this very complicated transaction. The only people who benefited most perhaps was AT&T [American Telephone & Telegraph Co.] because we had open telephone lines that ran up some bills.

I do want to say that it was a magnificent performance by everyone on our side, and I'm indeed very proud to have been even a small part of it.

Mr. Muskie. Thank you, Bill. I would like to add my words of commendation to all of those who participated, not only everyone at this table but almost countless others on both sides of the Atlantic who contributed to this. It is an incredible picture of the stamina, determination, patience, and ingenuity that can be applied to a problem of this complexity. I've been proud to be part of it, and I thank all of my colleagues.

Q. Mr. Muskie, you talk of the basic principle of returning the situation to the status as it was when the hostages were seized. At that time we had diplomatic relations with Iran, we had a limited military supply relationship, we gave visas fairly freely, and Americans were allowed to travel in Iran. The President, under certain acts, changed all that in the course of the past 14 months. Are any of those actions going to be undone?

Mr. Muskie. I suspect that those matters will have to be dealt with as time unfolds. The principle to which I referred applied to the release of the hostages and restoring our financial arrangements to what they were before the hostages were seized, not to all of the aspects of diplomatic recognition and normal trade and so on. Obviously, the nonintervention agreement which the Iranian side insisted upon will impact upon some of those points that you raised. That's their wish, and as far as we're concerned, we were willing to sign that. Our relationship will have to develop in the future as both countries may see it in their interest to pursue.

Mr. Miller. I hope you will note in the Secretary's comments, though, that the sanctions, the explicit sanctions were raised.

Mr. Muskie. Yes.

Q. Mr. Civiletti, could you explain how, legally, the United States goes about blocking all claims like actions and so forth against Iran, and how it goes about freezing all the assets of the Shah, his estate, and so forth, and whether there are potential constitutional problems to that?

Mr. Civiletti. There undoubtedly will be litigation about those issues. We expect to file papers in some of the outstanding cases either late tonight or tomorrow morning indicating a statement of interest, laying out before the court the actions that have been taken and the legal authorities under which those actions have been taken.

Essentially, the authority for all the actions that have been taken arise both from the Constitution and the President's powers under the Constitution and from statutory sources, particularly the International Emergency Economic Powers Act, the Hostage Act, and the President's constitutional powers with regard to the conduct of foreign affairs, with regard to recognition of foreign powers, and with regard to the exercise of these powers under these statutes.

Each of the Executive orders that have been issued—and there are about 10 of them altogether—are exercised under these acts. It's the circumstance where there is a confluence, where the President's powers are at their greatest when he is exercising power under both the Constitution and under specific statutes. What we've done in effect is, in most instances, with a few rare exceptions, provide by this settlement for an alternative means by which the interests of claimants have either been taken care of, as have been indicated by some payments which are already being made, or by the U.S.-Iran claims tribunal procedure with agreements with regard to the maintenance of the fund of \$500 million. I hope that partially answers your question.

Q. Are you saying that under this International Emergency Powers Act the President has the power to block any suits and so forth?

Mr. Civiletti. Yes. When he blocked the assets, a subsequent Executive order allowed the Secretary of the Treasury to promulgate regulations permitting the filing of suits, reserving the power to withdraw that authorization; and the statute itself gives the President the power to make null and void any interests in property which are subject to the emergency which gave rise to the exercise of the power. And, as I mentioned, the President has acted here under the confluence

of not only that statute but the Hostage Act, as well as his constitutional power with regard to the settlement of international claims and disputes.

Q. In the question of other assets how much in military spares is left? How much has been subsumed by the U.S. military forces?

Mr. Muskie. I don't have an inventory available to me of that material. The issue of military equipment and supplies in the pipeline before November 4, 1979, was not directly addressed in the negotiations. You will not see it in any of the documents, and so it is not a current issue.

Q. Mr. Miller, can you tell us what the certain undertakings of the Governments of the United States and Iran are that are referred to in the declaration that was issued yesterday.

Mr. Miller. Those are mainly the financial aspects that I've described.

Mr. Muskie. Yes.

Mr. Miller. The undertakings to which we accomplished all this in the financial area.

Q. Mr. Secretary, can you tell us how the shape of this deal emerged—when, what were the initiatives? What were the final points that had to be resolved and when were they resolved?

Mr. Muskie. Well, that's a long story and I will try to give you a brief outline. It all started, I gather, when I addressed a letter to the then newly selected Prime Minister—Mr. Rajai—which I indicated the need from our perspective of undertaking in some way to resolve our differences and, as I think used the phrase, "mutually perceived grievances." I think that was in late August.

In September, Khomeini laid down four points as a basis for settlement. In the same four points basically that this agreement is built upon. We did not know how authoritative it was or whether it was the totality, and those four points included some points that Iranians had insisted upon prior to that time. We were curious about that and we undertook to pursue those questions through the various channels that we were using at that time and since. And we began to address ourselves to the possibilities of meeting the four points.

When one reads the four points literally, they obviously called, in light of the facts we've given you here today, upon to do things that we were not in a position to do.

o we undertook, with the help of so people, to shape any response that be within the framework of the oints laid down by him at that time. rsued those through channels ing Iranians, and not those who were tely the decision-makers in Iran hers who were also, so far as we see, in a position to evaluate the on of Iran in this situation. Secre- iller has already indicated one of pproaches to this problem that we ed until, I think it was, last week. an's final proposal in the last week lays changed the framework. We most immediately that it was a te- e, and we proceeded to pick it up. not inconsistent with what we had place in terms of the resources or sets that we could transfer; it d the method for handling it, and how we came down. 's much more complicated than couldn't possibly give you every

d like to pay some tributes to some ic people who haven't been men- , if I might. Lloyd Cutler, General el to the White House, who was pperb in the quality of the legal ad- and the practical judgment which he nt to this. Warren Christopher— he whole country knows his abili- d his qualities of leadership in ne- ion. He was the team leader and did endous job of putting all these together.

here are so many others—I know aving out names. I'd like to attest o Carswell's contribution and Rich and everybody else here. It's been endous effort.

nd when the full story is told—and t know that you want it all at once line was a pretty straight one from mber down to today, pretty ht. The framework was there. The s were difficult to put together— g ways of freeing assets, dealing laims, finding ways to put in Iran's sufficient assets to make the ment proposal attractive.

ll of the prospects for doing this ved with the onset of the Iran-Iraq or obvious reasons: the pressures hat generated for Iran economically other ways. So, although we found ny obstacles along the way that been frustrating, including the last hours, at the same time events and ures of one kind or another also fell ay to enable us to move to this

Thank you all very much for your patience through this ordeal. I've been amazed, may I say, at the quality and the accuracy of the press coverage of the last 48 hours in terms of facts that we thought we had pretty much excluded you from. [Laughter.] You have a way. Thank you.

WELCOMING CEREMONY, THE WHITE HOUSE, JAN. 27, 1981⁵

President Reagan

Welcome to the Ambassadors of our friends in neighboring countries who are here today. And I can think of no better way to let you know how Nancy and I feel about your presence here today than to say on behalf of us, of the Vice President and Barbara, the Senators, the Members of Congress, the members of the Cabinet, and all of our fellow citizens, these simple words: Welcome home.

You are home, and believe me, you're welcome. If my remarks were a sermon, my text would be lines from the 126th Psalm, "We were like those who dreamed. Now our mouth is filled with laughter and our tongue with shouts of joy. The Lord has done great things for us. We are glad." You've come home to a people who for 444 days suffered the pain of your imprisonment, prayed for your safety, and most importantly, shared your determination that the spirit of free men and women is not a fit subject for barter.

You've represented under great stress the highest traditions of public service. Your conduct is symbolic of the millions of professional diplomats, military personnel, and others who have rendered service to their country.

We're now aware of the conditions under which you were imprisoned. Though now is not the time to review every abhorrent detail of your cruel confinement, believe me, we know what happened. Truth may be a rare commodity today in Iran; it's alive and well in America.

By no choice of your own, you've entered the ranks of those who throughout our history have undergone the ordeal of imprisonment: the crew of the *Pueblo*, the prisoners in two World Wars and in Korea and Vietnam. And like those others, you are special to us. You fulfilled your duty as you saw it, and now like the others, thank God you're home, and our hearts are full of gratitude.

I'm told that Sergeant Lopez here put up a sign in his cell, a sign that normally would have been torn down by those guards. But this one was written in Spanish, and his guards didn't know that "*Viva la roja, blanco, y azul*" means "Long live the red, white, and blue." They may not understand what that means in Iran, but we do, Sergeant Lopez, and you've filled our hearts with pride. *Muchas Gracias*.

Two days ago, Nancy and I met with your families here at the White House. We know that you were lonely during that dreadful period of captivity, but you were never alone. Your wives and children, your mothers and dads, your brothers and sisters were so full of prayers and love for you that whether you were conscious of it or not, it must have sustained you during some of the worst times. No power on Earth could prevent them from doing that. Their courage, endurance, and strength were of heroic measure, and they're admired by all of us.

But to get down now to more mundane things, in case you have a question about your personal futures, you'll probably have less time to rest than you'd like. While you were on your way to Germany, I signed a hiring freeze in the Federal Government. In other words, we need you, your country needs you, and your bosses are panting to have you back on the job.

Now, I'll not be so foolish as to say forget what you've been through; you never will. But turn the page and look ahead, and do so knowing that for all who served their country, whether in the Foreign Service, the military, or as private citizens, freedom is indivisible. Your freedom and your individual dignity are much cherished. Those henceforth in the representation of this Nation will be accorded every means of protection that America can offer.

Let terrorists be aware that when the rules of international behavior are violated, our policy will be one of swift and effective retribution. We hear it said that we live in an era of limit to our powers. Well, let it also be understood, there are limits to our patience.

Now, I'm sure that you'll want to know that with us here today are families of the eight heroic men who gave their lives in the attempt to effect your rescue. "Greater glory hath no man than that he lay down his life for another." And with us also are Colonel Beckwith and some of the men who did return from that mis-

sion. We ask God's special healing for those who suffered wounds and His comfort to those who lost loved ones. To them, to you, and to your families, again, welcome from all America and thank you for making us proud to be Americans.

And now, ladies and gentlemen, I call on, to speak for this wonderful group of returnees, Bruce Laingen, Charge d'Affaires in Tehran. Mr. Laingen.

Mr. Laingen

Mr. President, Mrs. Reagan, members of the Cabinet, Vice President and Mrs. Bush—I think I've got that out of order of priority in protocol terms—members of the Diplomatic Corps who are here, and all you beautiful people out there:

I'm not sure I'm capable of this after that emotionally draining but beautiful experience that all of us have just had on the streets of this magnificent city, Mr. President. I hope you were watching TV, because I don't think any of us Americans have ever seen anything quite like it, quite so spontaneous, quite so beautiful in terms of the best qualities of our people. And we are deeply grateful for it.

Mr. President, our flight to freedom is now complete: thanks to the prayers and good-will of countless millions of people, not just in this country but all around the world; the assistance of those many countries and governments who understood the values and principles that were at stake in this crisis; and the love and affection of our countrymen from all those tens of thousands out there on the streets today, to that lady that we saw standing on a hillside as we came in from Andrews, all alone, with no sign, no one around her, holding her hand to her heart—the enveloping love and affection of smalltown America of the kind we witnessed in that wonderful 2-day stop in New York State, West Point and its environs; and last, but not least, on this flight to freedom, the United States Air Force on Freedom I.

Mr. President, I give you now 52 Americans, supplemented by a 53d today, Richard Queen sitting over here, overjoyed in reunion with our families, the real heroes in this crisis; 53 Americans, proud to rejoin their professional colleagues who had made their flight to freedom earlier—our 6 colleagues who came here with the great cooperation and friendship of our Canadian friends, and our 13 who came earlier. I give you now 53 Americans, proud, as I said earlier today, to record their undying respect and affection for the families of those brave eight men who gave their lives so that we



L. Bruce Laingen, the senior U.S. diplomat released from Iran, is welcomed to the White House by Mrs. Reagan while President Reagan and Vice President Bush look on. Thomas L. Ahern, another released American, is behind Mr. Laingen.

might be free, 53 of us proud today, this afternoon, and also to see and to meet with some of those families and Colonel Beckwith and some of those who came back. Fifty-three Americans who will always have a love affair with this country and who join with you in a prayer of thanksgiving for the way in which this crisis has strengthened the spirit and resilience and strength that is the mark of a truly free society.

Mr. President, we've seen a lot of signs along the road, here and up in New York. They are marvelous signs, as is the spirit and enthusiasm that accompanies this, what we've been calling "a celebration of freedom." They are signs that have not been ordered. They are spontaneous, sincere signs that reflect the true feelings of the hearts of those who hold them, even those, I suppose, like "IRS welcomes you" [laughter] which we saw today as we came into town, and another one that said, "Government workers welcome you back to work." Well, we're ready.

There was another sign that said, and I think that says it as well as any as far as we're concerned: "The best things in life are free." But even better than that was a sign that we saw as we left West Point today along a superhighway up there that someone had hastily put out: "And the world will be better for

this." We pray, Mr. President, that this will be so.

Mr. President, in very simple words that come from the hearts of all of us: good to be back. Thank you, America, and God bless all of you. Thank you very much.

President Reagan

Thank you. This is a flag in this case bearing your name, and it is a symbol will give to you now, because all the others, you will each receive one when we get inside the building. Each one of you will have a flag symbolic of the 53 that are here in your honor.

And now—I think now a fit ending for all of this would be for all of us to participate in singing "God Bless America" [The audience sang "God Bless America."]

¹ Text from White House press release of Jan. 19, 1981.

² Made available to the press by Department spokesman John Trattner.

³ Made available to the press by acting Department spokesman William J. Dyess, Feb. 2.

⁴ Text from White House press release of Jan. 20.

⁵ Remarks from White House press release of Jan. 27. ■

American Hostages in Iran

Following is a list of the Americans who were held hostage in Iran. Fifty were held from November 4, 1979, to January 20, 1981 (444 days); the others were released as noted.

Thomas L. Ahern
Political Section
Clair Barnes
Communications Section
William F. Belk
Communications Section
Robert Blucker
Commercial Section
Donald J. Cooke
Consular Section
William J. Daugherty
Political Section
Robert A. Engelmann
CDR, U.S. Navy
Defense Liaison Office
William A. Gallegos
Sgt., USMC
Marine Security Guard
Bruce W. German
Administrative Section
Diane L. Gillette
O1, U.S. Navy
Defense Attache Office
Alan B. Golacinski
Security Section
John E. Graves
CA
Cathy J. Gross*
Secretary
Joseph M. Hall
WO1, U.S. Army
Defense Attache Office
Evin J. Hermening
Sgt., USMC
Marine Security Guard
Donald R. Hohman
P. 6, U.S. Army
Medical Corpsman
Eland J. Holland
OL, U.S. Army
Defense Attache Office
Michael H. Howland
Security Section
James O. Hughes*
/Sgt., U.S. Air Force
Administrative Specialist
William Johnson*
Secretary
Charles Jones, Jr.
Communications Section
Malcolm Kalp
Economic/Commercial Section
William Keough
School Superintendent
Moorhead Kennedy
Economic Section

25. Steven W. Kirtley
Sgt., USMC
Marine Security Guard
26. Kathryn L. Koob
ICA
27. Frederick Kupke
Communications Section
28. L. Bruce Laingen
Charge d'Affaires
29. Steven M. Lauterbach
General Services Officer
30. Gary E. Lee
General Services Officer
31. Paul E. Lewis
Sgt., USMC
Marine Security Guard
32. John W. Limbert
Political Section
33. James M. Lopez
Sgt., USMC
Marine Security Guard
34. Ladell Maples*
Sgt., USMC
Marine Security Guard
35. John D. McKeel
Sgt., USMC
Marine Security Guard
36. Michael J. Metrinko
Political Section
37. Jerry J. Miele
Communications Section
38. Michael E. Moeller
S/Sgt., USMC
NCO in charge of Marine Security Detachment
39. Elisabeth Montagne*
Secretary
40. Bert C. Moore
Administrative Section
41. Richard H. Morefield
Consular Section
42. Paul M. Needham
CAPT, U.S. Air Force
Logistics Plans and Programs Officer
43. Robert Ode
Consular Section
44. Gregory A. Persinger
Sgt., USMC
Marine Security Guard
45. Jerry Plotkin
Businessman
46. William E. Quarles*
Sgt., USMC
Marine Security Guard
47. Richard I. Queen**
Consular Section
48. Regis Magan
MSG, U.S. Army
Military Liaison Office
49. Neal T. Robinson*
CAPT, U.S. Air Force
Plans Officer
50. David M. Roeder
LTC, U.S. Air Force
Defense Attache Office
51. Lloyd A. Rollins*
General Services Officer
52. Barry M. Rosen
ICA
53. William B. Royer, Jr.
ICA
54. Thomas E. Schaefer
COL, U.S. Air Force
Defense and Air Attache
55. Charles W. Scott
COL, U.S. Army
Chief, Military Liaison Office
56. Don A. Sharer
CDR, U.S. Navy
Defense Liaison Office
57. Rodney V. Sickman
Sgt., USMC
Marine Security Guard
58. Joseph Subic
SSG, U.S. Army
Defense Attache Office
59. Elizabeth A. Swift
Political Section
60. Terri L. Tedford*
Secretary
61. Victor L. Tomseth
Political Section
62. Joseph E. Vincent*
MSG, U.S. Air Force
U.S. Military Assistance Group
63. David R. Walker*
Sgt., USMC
Marine Security Guard
64. Joan Walsh*
Secretary
65. Philip R. Ward
Communications Section
66. Wesley Williams*
Cpl., USMC
Marine Security Guard

*Released Nov. 18 - 20, 1979.

**Released July 10, 1980.

NOTE: When Iranian militants took over the U.S. Embassy in Tehran on November 4, 1979, six Americans managed to elude capture; they sought and were granted refuge in the Canadian Embassy. They left Iran on January 29, 1980, posing as Canadian diplomats and carrying Canadian passports with forged Iranian visas. Those Americans were Robert G. Anders, Mark J. Lijek, Cora Amburn Lijek, Joseph D. Stafford, and Kathleen F. Stafford, all consular officers, and H. Lee Schatz, an agricultural specialist. ■

President Carter's Farewell Address to the Nation

President Carter's farewell address was broadcast live on January 14, 1981.¹

In a few days I will lay down my official responsibilities in this office to take up once more the only title in our democracy superior to that of President—the title of citizen. Of Vice President Mondale, my Cabinet, and the hundreds of others who have served with me during the last 4 years, I wish to say now publicly what I have said in private: I thank them for the dedication and competence they have brought to the service of our country.

But I owe my deepest thanks to you—to the American people—because you gave me this extraordinary opportunity to serve. We've faced great challenges together, and we know that future problems will also be difficult, but I am now more convinced than ever that the United States, better than any other country, can meet successfully whatever the future might bring. These last 4 years have made me more certain than ever of the inner strength of our country, the unchanging value of our principles and ideals, the stability of our political system, the ingenuity and the decency of our people.

Tonight I would like first to say a few words about this most special office—the Presidency of the United States. This is at once the most powerful office in the world and among the most severely constrained by law and custom. The President is given a broad responsibility to lead but cannot do so without the support and consent of the people, expressed formally through the Congress and informally in many ways through a whole range of public and private institutions. This is as it should be.

Within our system of government every American has a right and a duty to help shape the future course of the United States. Thoughtful criticism and close scrutiny of all government officials by the press and the public are an important part of our democratic society. Now, as in the past, only the understanding and involvement of the people through full and open debate can

help to avoid serious mistakes and assure the continued dignity and safety of the nation.

Today we are asking our political system to do things of which the Founding Fathers never dreamed. The government they designed for a few hundred thousand people now serves a nation of almost 230 million people. Their small coastal republic now spans beyond a continent, and we also now have the responsibility to help lead much of the world through difficult times to a secure and prosperous future.

Today, as people have become ever more doubtful of the ability of the government to deal with our problems, we are increasingly drawn to single-issue groups and special interest organizations to insure that whatever else happens, our own personal views and our own private interests are protected. This is a disturbing factor in American political life. It tends to distort our purposes, because the national interest is not always the sum of all our single or special interests. We are all Americans together, and we must not forget that the common good is our common interest and our individual responsibility.

Because of the fragmented pressures of these special interests, it's very important that the office of the President be a strong one and that its constitutional authority be preserved. The President is the only elected official charged with the primary responsibility of representing all the people. In the moments of decision, after the different and conflicting views have all been aired, it's the President who then must speak to the nation and for the nation.

I understand after 4 years in this office, as few others can, how formidable is the task the new President-elect is about to undertake, and to the very limits of conscience and conviction, I pledge to support him in that task. I wish him success and Godspeed. I know from experience that Presidents have to face major issues that are controversial, broad in scope, and which do not arouse the natural support of a political majority.

For a few minutes now, I want to lay aside my role as leader of one nation, and speak to you as a fellow citizen of the world about three issues—three difficult issues—the threat of nuclear destruction, our stewardship of the physical resources of our planet, and the preeminence of the basic rights of human beings.

Threat of Nuclear Destruction

It's now been 35 years since the first atomic bomb fell on Hiroshima. The great majority of the world's people cannot remember a time when the nuclear shadow did not hang over the Earth. Our minds have adjusted to it, as after a time our eyes adjust to the dark.

Yet the risk of a nuclear conflagration has not lessened. It has not happened yet, thank God, but that cannot give us little comfort for it only has to happen once.

The danger is becoming greater. As the arsenals of the superpowers grow in size and sophistication and as other governments—perhaps even in the future dozens of governments—acquire these weapons, it may only be a matter of time before madness, desperation, greed, or miscalculation loose this terrible force.

In an all-out nuclear war, more destructive power than in all of World War II would be unleashed every second during the long afternoon it would take for all the bombs and missiles to fall. A World War II ever second—more people killed in the first few hours than in all the wars of history together. The survivors, if any, would live in despair amid the poison ruins of a civilization that had committed suicide.

National weakness, real or perceived, can tempt aggression and thus cause war. That's why the United States can never neglect its military strength. We must and we will remain strong. But with equal determination the United States and all countries must find ways to control and to reduce the horrifying danger that is posed by the enormous world stockpiles of nuclear arms.

This has been a concern of every American president since the moment we first saw what these weapons could do. Our leaders will require our understanding and our support as they grapple with this difficult but crucial challenge. There is no disagreement about the goals or the basic approach to con-

g this enormous force. The r lies not just in the attitudes or tions of world leaders but in the n and the demands of all of us as ntinue our struggle to preserve ace. Nuclear weapons are an expression side of our human character. But is another side. The same rocket ology that delivers nuclear war has also taken us peacefully into From that perspective, we see arth as it really is—a small, e, and beautiful blue globe, the ome we have. We see no barriers e or religion or country. We see sential unity of our species and anet. And with faith and common that bright vision will ultimately il.

Protecting the Earth's Resources

er major challenge, therefore, is tect the quality of this world in which we live. The shadows that ross the future are cast not only e kinds of weapons we have built y the kind of world we will either h or neglect. There are real and ng dangers to our simple and precious possessions—the air we e, the water we drink, and the hich sustains us. The rapid deple- f irreplaceable minerals, the n of topsoil, the destruction of y, the blight of pollution, the nds of increasing billions of peo- l combine to create problems e are easy to observe and predict fficult to resolve. If we do not act, orld of the year 2000 will be much ble to sustain life than it is now. ut there is no reason for despair. owlding the physical realities of anet does not mean a dismal e of endless sacrifice. In fact, wlding these realities is the tep in dealing with them. We can e the resource problems of the —water, food, minerals, farm- forests, overpopulation, pollu- if we tackle them with courage presight.

Protecting Basic Human Rights

ust been talking about forces of tial destruction that mankind has oped and how we might control . It's equally important that we mber the beneficial forces that we evolved over the ages and how to fast to them. One of those con- tive forces is the enhancement of

individual human freedoms through the strengthening of democracy and the fight against deprivation, torture, terrorism, and the persecution of people throughout the world. The struggle for human rights overrides all differences of color or nation or language. Those who hunger for freedom, who thirst for human dignity, and who suffer for the sake of justice, they are the patriots of this cause.

I believe with all my heart that America must always stand for these basic human rights at home and abroad. That is both our history and our destiny.

America did not invent human rights. In a very real sense, it's the other way around. Human rights invented America. Ours was the first nation in the history of the world to be founded explicitly on such an idea. Our social and political progress has been based on one fundamental principle—the value and importance of the individual. The fundamental force that unites us is not kinship or place of origin or religious preference. The love of liberty is the common blood that flows in our American veins.

The battle for human rights, at home and abroad, is far from over. We should never be surprised nor discouraged because the impact of our efforts has had and will always have varied results. Rather we should take pride that the ideals which gave birth to our nation still inspire the hopes of oppressed people around the world. We have no cause for self-righteousness or complacency, but we have every reason to persevere, both within our own country and beyond our borders.

If we are to serve as a beacon for human rights, we must continue to perfect here at home the rights and the values which we espouse around the world—a decent education for our children, adequate medical care for all Americans, an end to discrimination against minorities and women, a job for all those able to work, and freedom from injustice and religious intolerance.

We live in a time of transition, an uneasy era which is likely to endure for the rest of this century. It will be a period of tensions, both within nations and between nations; of competition for scarce resources; of social, political, and economic stresses and strains. During this period we may be tempted to abandon some of the time-honored principles and commitments which have been proven during the difficult times of past generations. We must never yield to

this temptation. Our American values are not luxuries but necessities—not the salt in our bread but the bread itself. Our common vision of a free and just society is our greatest source of cohesion at home and strength abroad—greater even than the bounty of our material blessings.

Remember these words: "We hold these truths to be self-evident; that all men are created equal; that they are endowed by their creator with certain unalienable rights; that among these are life, liberty, and the pursuit of happiness. . . ."

This vision still grips the imagination of the world. But we know that democracy is always an unfinished creation. Each generation must renew its foundations. Each generation must rediscover the meaning of this hallowed vision in the light of its own modern challenges. For this generation—ours—life is nuclear survival; liberty is human rights; the pursuit of happiness is a planet whose resources are devoted to the physical and spiritual nourishment of its inhabitants.

During the next few days I will work hard to make sure that the transition from myself to the next President is a good one, that the American people are served well. And I will continue as I have the last 14 months to work hard and to pray for the lives and the well-being of the American hostages held in Iran. I can't predict yet what will happen, but I hope you will join me in my constant prayer for their freedom.

As I return home to the South where I was born and raised, I look forward to the opportunity to reflect and further to assess, I hope with accuracy, the circumstances of our times. I intend to give our new President my support, and I intend to work as a citizen, as I have worked here in this office as President, for the values this nation was founded to secure. Again, from the bottom of my heart, I want to express to you the gratitude I feel. Thank you, fellow citizens, and farewell.

¹Text from White House press release. ■

President Carter submitted his last State of the Union message to the Congress on January 16, 1981, the text of which is printed in the Weekly Compilation of Presidential Documents of January 20, 1981.

Resources for a Credible Foreign Policy

Address before the American Foreign Policy Association and the World Affairs Council on January 15, 1981.¹

I am departing an office I received with surprise, held with satisfaction, and relinquish with regret. I have been privileged to serve a nation I love, under a President for whom I have the deepest respect. He has labored with extraordinary effort and caring for our nation and for our ideals. I think history will look kindly upon his legacy and such achievements as the Camp David accords, the normalization of relations with China, peace in Zimbabwe, the strengthening of American defenses.

And one of my central concerns is an issue on which I worked as a member of the Senate, but which has been with me literally every single day, indeed every hour, of my time as Secretary of State.

The issue is this: Will America support the foreign policy this country needs with the resources a credible policy requires? Will we provide the funds necessary to support our diplomacy and our vital interests in the world, or will we shortchange them?

To people with an interest in foreign policy this is a perennial problem. The Department of State and the foreign assistance agencies face special obstacles. We can never match the domestic constituencies of other parts of the government in the competition for Federal funds.

But I suggest that the foreign policy resource problem is now passing beyond that condition of routine annual struggle. It is steadily worsening. It is, in my view, a gathering crisis. And it is a threat not only to the global influence of the United States but to the security and well-being of all the American people. The crisis ahead lies at the intersection of several critical trends.

Diffusion of Power

A first trend is the diffusion of authority—of power—in the world. Principally as a result of decolonization, the Earth now holds nearly three times as many sovereign nations as it did at the end of the Second World War. There are more than 100 new countries.

As a statistic that is easy enough to grasp. We have a much harder time grasping the new realities it entails. For example, in the United Nations, and in many of its related bodies, the majority of votes now are cast by countries that didn't exist when the institution was formed. The balance of power in global institutions has shifted—not toward any competing superpower but toward the developing world.

For all of their diversity, nearly all of those new nations share at least one passion—for their sovereignty and national integrity. They are uniquely wary of outside manipulation or control. We have seen the dark side of this reality in the lawless behavior of Iran. But there are also positive manifestations of the same trend—the resistance of the nationalists in Afghanistan, for example, and the overwhelming vote in the United Nations to condemn the Soviet invasion of that country.

But whatever the effect in individual cases, the broad international truth is that power has been widely dispersed. An American diplomacy that can effectively protect and advance our interests in such a world requires, more than ever before, a diverse and skilled Foreign Service as well as a fully funded foreign assistance program.

U.S. Stake in Developing Countries

A second trend is our own growing stake in those developing countries. Today they are the fastest growing markets for American exports. Already they buy more from us than Japan and the European Common Market combined. Those sales to developing countries account for more than 2 million American jobs. They supply us with materials we cannot do without—not only oil but tin, bauxite, rubber, and a long list of others.

We also need their cooperation. World institutions control hundreds of matters affecting our lives—from the allocation of radio frequencies to procedures for harvesting the seas and mining their floors. Such global issues as population growth and nuclear proliferation touch our own daily lives in profound and persistent ways. And we have growing security interests in developing countries. For example, an effective response to Soviet ambitions in the Indian Ocean/

Persian Gulf region requires access to military facilities on the scene.

So for all of these reasons—economic, political, security—good relations with developing countries are not something we concede; they are something we need.

Soviet Ambition

A third trend is one I have alluded to already—the ambition of the Soviet Union to extend its influence in the developing world. It is, of course, no revelation that the Soviets believe their system should be installed elsewhere and ultimately everywhere. That aspiration increases is backed up with a growing capacity to project military power far beyond their borders. A little over a year ago we took a grim new step in Afghanistan—a direct Soviet invasion designed to transform a nonaligned country into a new satellite state.

Obviously we must never neglect the direct Soviet threat to the United States and the other industrial democracies; but the Soviets' most promising opportunity in the developing world through exploitation of disorder. Our diplomacy must be wise—and our resources—if they are generous—can promote order by helping other governments meet the aspirations of their people for economic, political, and social justice.

Worsening Economy of Third World

Unfortunately, a fourth trend brightens Soviet prospects there—and that is the worsening economic plight of most Third World nations. The barriers to development have grown steadily higher in recent years. Populations have multiplied; debts have swollen; energy prices have soared; available resources have dwindled. And the future looks worse. In the past year a series of authoritative reports—by the World Bank, by the Brandt Commission, by the President's working group on hunger, by agencies of our own government in the "Global 2000" report—have all foreseen in the coming decades a world with huge concentrations of desperate people.

Right now by far the greatest destabilizing factor is oil. It is a stunning fact that oil prices have roughly tripled in just a few years—from \$12.80 per barrel at the

1978 to some \$35 now. Those increases have inflicted real pain here. Each round of higher costs further shocks our economy and fuels our inflation.

But if they have harmed us, those price hikes have ripped through Third World economies like a tornado, leaving economic devastation in their wake. National treasuries are draining dry. In the year just past, the bills to be paid by OPEC [Organization of Petroleum Exporting Countries] developing countries for imported oil and interest and external debt alone have been some three times what they received in aid.

The poorest lands are the hardest hit. Countries like Bangladesh, Liberia, Sudan, and Uganda have little access to credit, so the trade-off is direct: Every dollar more paid for oil immediately means a dollar less to invest in productive enterprise. In the resulting economic pinch, funds reserved for investment must be diverted on a crisis basis to such necessities as food.

In any nation, these are precisely the conditions that invite turmoil. It is only the lesson, it is the litany of history that human misery is the enemy of order. Driven by the energy emergency, many governments are forced toward economic decisions that could mean their downfall. As this process continues, the force of radicalism will become stronger; each day those who preach violence and hatred of the West will find more adherents in the developing world.

The OPEC countries have yet to recognize the profound dangers they create for themselves in pressing this trend. If their wealth is to have practical value, they have a stake in the economic health and stability of others. And obviously they, too, depend upon a stable world.

Linkage in U.S. Response

Finally, there is a fifth trend—not only a stagnation but a shrinkage in our affirmative response to these dangers. There are those who see these first four trends and see only their military implications. Certainly we need to help our friends build their strength. And we must be sufficiently armed ourselves to help deter and defeat aggression. That is why the current Administration has sponsored major real increases in military outlays.

But arms alone are an insufficient answer to the challenges I have described. In a world of crushing human needs—among nations stirred by nationalism with global problems demanding cooperative answers—we need still more than a mighty arsenal.

And what has been our response? We begin with a national indifference to our diplomatic structure. The quality and capacity of our professional Foreign Service is a decisive factor in our relations with other countries. Everyone knows and sympathizes with the plight of our hostages in Tehran and most people have not forgotten the other terrorist and mob attacks to which our diplomats have been subject in recent years. What is not so well known is our failure to maintain and sustain our essential diplomatic resources.

As we move further into the 1980s, it is clear that all elements of our national security need full support, and diplomacy is the front line of any lasting security. We must be well prepared militarily, but we must also do all we can to achieve our national goals without resort to force, and that, in a word, is the business of diplomacy.

Given the complexities of the world of the 1980s and 1990s, it is also clear that we need to understand still better the aspirations and interests of people in the rest of the world and other people need to understand still better our aspirations and interests. The consequences of misunderstanding are much greater than they were in the past. Making sure governments interpret each other's actions and words correctly is also the essential business of diplomacy.

If diplomacy is to be effective, then we must continue to have individuals who represent the best in America serving in our professional Foreign Service. Yet, the Department of State has the same number of people as it had in 1960 when we dealt with 66 fewer nations and problems that were significantly less complex. Despite mounting needs to understand this world still better, we have 18% fewer political officer positions than in 1960. That is not only a sorry picture, but a scary one, in the light of our global requirements.

The same short-sighted, stingy approach has limited also our foreign assistance programs. These are the programs that provide backing for our daily diplomacy even as they address the longer term economic and social sources of human suffering and political instability. Foreign aid, and particularly economic development aid, can be a favorite target on Capitol Hill. Often, those who are most vocal against aid programs are also the loudest in declaring their opposition to communism. They insist upon a goal we share even as they dismantle the means we need to pursue it.

The Congress has failed, for 2 years straight, to even pass our foreign aid legislation. We operate year to year on continuing resolutions, with funding based on levels of prior years. And in real terms the amounts are shrinking. We rank 14th among the world's major donors of assistance. For assistance programs that are directly related to our own security and prosperity, we provide roughly one-fifth of 1% of our gross national product. In real terms our economic aid today is actually less than it was 10 years ago. Our security assistance is nearly one-fourth less than it was in 1960.

But all of this still is only prologue. Budget trends suggest that a tighter pinch could be coming. The relatively "uncontrollable" parts of the Federal budget—social security, trust funds, and the like—are taking up even higher proportions of government spending. The remainder, now less than one-fourth of the budget, must cover national defense, all other international programs including foreign aid, and all the discretionary domestic programs as well.

Now if we project past trends into the future—and factor in the increases in defense already planned, let alone any further growth the Reagan Administration might want—we find this: By 1985 the total of funds left for international affairs and these domestic programs will be slashed nearly in half. It takes little imagination to forecast the resultant pressures on the State Department and foreign assistance budgets. That is why I say what we know now as an annual struggle is, in fact, a gathering crisis. If unmet, it could dramatically alter our role in the world.

That crisis can be averted. But it will require political will on the part of our leaders and a new awareness on the part of the American people. It must begin with a recognition of this central reality: We can no longer afford to act as if foreign aid were charity and as if diplomacy were a diversion. They are as vital to our long-run security as defense—as essential to the well-being of the American people.

In short, we have a fundamental choice we can no longer postpone. We must either raise our investments significantly or lower our expectations for the future. We cannot produce the foreign policy results our people expect with the dwindling resources we seem prepared to apply. If we continue to address surging international challenges with a shrinking commitment, then we ought to begin planning for an ineffectual, defensive, and perilous future.

America's Potential

I have great confidence in America's potential. Our values are more relevant to the world than ever before. Our military strength is growing. Our dedication to the sovereignty of nations is squarely in line with the aspirations of developing countries. Despite all the setbacks, our economic system—our technology, the miracle of our agriculture, our innovation—remain a source of international strength, in contrast to the faltering of state-managed systems.

And I have confidence in the American people—in their capacity to grasp what is at stake when they are told the truth about what must be done to support forward-looking foreign policies.

The response of our people and our political leadership to this challenge will importantly determine the kind of world our children will inherit—whether it is hospitable or hostile to our values; whether we are fully engaged in the international system or excluding ourselves from it; whether Americans feel secure or surrounded. In the next few years, the choice must be made. For all of our sakes, I hope we choose wisely.

¹Press release 12. ■

Secretary Muskie Interviewed on “Meet the Press” (Excerpts)

Secretary Muskie was interviewed on NBC's "Meet the Press" on December 21, 1980, by Bill Monroe, NBC News (moderator and executive producer); Karen Elliot House, Wall Street Journal; Carl Rowan, Chicago Sun Times; and Marvin Kalb, NBC News.¹

Q. What is your assessment of the latest conditions from Iran for the return of the 52 American hostages and the options they make available to this country?

A. We regard the response as unreasonable and as requiring of us actions beyond the power of the President to take.

Expecting, on the basis of this morning's news, that I'd be asked to react to what they have done, I would like to make clear that what I say about the subject on this program is not an official response; it's an official reaction to the extent that I'm in a position to respond to your questions. The second point I'd like to make is that it is official in the sense that I've discussed this subject with the President today, and what I have to say represents the reaction of the Administration.

Finally, in order to put this whole subject of negotiations between Iran and the United States in the proper context, what we are discussing is not the usual kind of negotiation between mutually agreed parties. What we are talking about is negotiating the release of hostages that were illegally taken over a year ago, who are being illegally held today—a taking that has been condemned by the World Court, condemned by the United Nations, and condemned by nations all over this planet. It's that illegal holding that we are seeking to correct. I think that these points are important points to be reminded of as we begin whatever discussions we may have today.

Q. Are the difficulties now posed by Iran so severe, in your judgment, that the Administration would consider, in effect, suspending negotiations at this

point and leaving the resolution of the matter up to the incoming Reagan Administration?

A. No, indeed. We continue to work at what we think is a high-priority goal, and that is the release of the hostages. The Iranians previously have made requests that we could not meet. Nevertheless, we continue to use the private channel, through the Algerian Government, in an attempt to persuade them to our position.

What we have tried to do is make a goodwill effort, a good faith effort, to examine what we can do to restore their frozen assets within the legal authority of the President of the United States. And we will continue to do that.

Q. Are you saying that the Administration will present a detailed response to Iran's latest terms?

A. The nature of the response is, of course, still under study. We've had this response which, as you now know from the public prints, is quite long, extensive, and complicated, and which also requires an understanding of the Iranian use of concepts before we can respond. So the nature of our response is not yet decided, but the nature of this reaction is clear.

Q. You seem to be implying that you will respond again in some fashion whatever the details, and that you won't simply say, "This is as far as we can go. You know what it is. Take it or leave it. If you don't like it, deal with the next Administration." Is that what you mean to imply?

A. What I mean to say is that a part of this frustrating and, at times, agonizing effort is to make clear to the Iranians through a third party—which complicates the task—the limits beyond which the President cannot legally go. It is not always clear whether that message has gotten through or whether they accept it.

This is not the first time that they have suggested items that would require us to go beyond the President's legal authority. This comes at a time when we were under the impression that they understood those limits.

Q. How do you expect them to release the hostages if they are not given something of a nature that they can pass off politically to their own people? I mean, we're saying we want the hostages back because they were illegally taken and you can't have the money until the hostages are back.

A. They have a responsibility for leadership and accountability in their political system just as I do in our own, and just as our President does in his system. The President cannot legally, let alone legally, exceed his powers in dealing with their requests. They must understand that. So have to decide first, are they going to respond to world opinion, which I judged that they have taken an illegality and which has had an impact on their own country economically in terms of isolation from the world community, in terms of denial of access to markets that they would find useful in terms of impacting on an unstable political situation in their own country, and in terms of threats on their own borders.

They've paid a cost for this illegal act, and an increasing number of people have made it clear that they understand that their own national interests would be better served if the hostage issue were behind them. They said that publicly. So if it is in our country's interest to solve this problem, then they have an obligation, leaders in that country, to take the necessary decision.

Q. But they have, for a year, thumbed their noses at world opinion. We have in Tehran saying that, if you don't put what you have called unreasonable, the Christmas trees here will be next year, meaning the hostages still be there. Would you give me a candid assessment as to whether you think there can be, ever, a negotiated settlement?

A. There will have to be a negotiated settlement unless they take the first step—which they have given no indication at all they are willing to take to release the hostages without conditions. That is what they ought to do, in the fact that they did an illegal act over a year ago.

With respect to their public rhetoric, I have found that, like politicians everywhere, their public statements for domestic consumption may not necessarily disclose what may be possible through appropriate negotiations. It requires patience, it involves negotiation, but you have to press it. I have to press it because I don't believe that country or any other country can persist in the kind of illegal action they have taken and not pay a price as a member of the community of nations.

Q. A lot of us sitting on the outside see a situation where it appears you've done everything that you can possibly do, and you're still left with a situation where the United States has to accept something close to abject capitulation to kidnappers and that we may be at the point where nothing is left but military action. Are we close to that point?

A. No, I would not say so. We've had a previous experience in the case of North Korea, a hostage situation, involving roughly the same number of people. They were held for 11 months and were eventually released. I think that these hostages will eventually be released. I don't believe that the Iranians can escape the costs that they are now paying for holding the hostages. Inevitably, at some point, they will make the decision that they must make.

Q. You are aware that there are some mumblings out there in America that the honor of the United States is more important than the lives of 52 hostages and that, at some time, this government is going to have to say, "The 52 don't matter that much. We're going to have to do what we have to do." Do you think, having given priority to saving the hostages all these months, that the United States can ever make that hard decision?

A. I don't think the two are that separable. I think that to permit them to jeopardize the safety and the lives of the hostages would be counter to our national interest and our national honor. I don't think you can separate the two. They are one problem.

Q. Are you ruling out the use of American military force by this Administration to resolve this problem?

A. We tried a form of that in the rescue effort which failed. That effort did not succeed and, in addition, making the effort, I think, prolonged the agony of the problem.

It is not easy, if one looks at a map of Iran, to consider military options unless one were to consider options with consequences that need to be carefully weighed for our other national interests before making it. An automatic military response is not an easy thing to devise or an easy thing to execute or one that one easily contemplates when one considers other national interests that might be impacted. But the President has made clear for a year that we will hold Iran accountable for the safety of the hostages, whatever that implies in the circumstances that may arise.

I don't think it is helpful to try to hypothesize what circumstances may arise. At this point, in our negotiations with Iran, we are within reach, if they could but see it, of a solution to the problem which would eliminate any such possibility, which would make possible the return of the hostages, and which would make possible the beginnings of a meaningful process of bringing Iran back into the community of nations in a dignified, responsible way. They've got to do that; they've got to face it at some point.

Q. You just said "within reach." If you had to project now "within reach" meaning weeks, months, do we have to wait for the next Administration to come in?

A. When I say "within reach," I don't mean on the basis of the most recent exchange between us that I see it happening. It's certainly not going to happen by Christmas, and it would be very difficult to make it happen within the time left to this Administration.

Q. Difficult?

A. Very difficult. It all depends on the extent to which the Iranian reply is a negotiating tactic or whether it is in fact a "take-it-or-leave-it" proposal.

Q. Are you beginning to suspect that it might be a case of old-fashioned ransom being asked of the United States?

A. What they've asked for is unreasonable, and it would require us to do things that we cannot do legally. That is the best way to describe it at this point. You know, they do some of these things that they are asking of us by just a flick of their fingers.

Q. Would the United States consider sending billions of dollars to Algeria—one figure mentioned today is \$23 or \$24 billion—as a guarantee against the eventual return of the Iranian assets frozen in this country and the Shah's wealth?

A. No. The President does not have the power to do that or the authority to do it. And let me put that in perspective, if I may. Iran placed in the hands of persons and institutions in the United States and other countries deposits totaling billions of dollars. They did that long before the hostages were taken. They took the risks attendant upon that. The U.S. Government had no responsibility with respect to those deposits. We don't guarantee those deposits. When they did that, they assumed certain risks.

As a result of their taking of the hostages, their business arrangements with the various institutions involved in those deposits were interrupted. The result of all that was to produce a lot of litigation, a lot of claims, a lot of suits; but they took those risks. Now they ask us to make cash guarantees for the purpose of assuring them against loss resulting from those risks, if they materialize in the form of losses. That's not our responsibility.

May I say, also, that at the beginning of these negotiations, we pursued, apparently with their understanding and their agreement, two principles: One, that we would do everything we could, insofar as we could legally, to restore our financial arrangements to their status prior to November 14, a year ago. Two principles are involved: the *status quo* as of that time and what we could do legally. The *status quo* as of that time was, with respect to these frozen assets, that they had placed these assets on deposit in Western institutions and with persons in the West and in the United States.

We are willing and have offered ways to do that. There are some assets that could be made available to them almost immediately. Others are subject to claims that have to be resolved in one way or another. We have offered to join with them in establishing an international claims settling procedure and offered to pursue that procedure with them in every way possible that we could legally in order to resolve those claims.

It would require actions on their part, reestablishing their banking relations, for example, and others. There are precedents for this sort of approach to it. Now, because that process couldn't conceivably be completed before the end of the President's term and before the return of the hostages, they ask us for these cash guarantees. Well, that is asking for something different than the *status quo* in November of 1979.

Q. Two weeks ago we were told that a Soviet invasion of Poland was imminent, or virtually imminent. Has that problem eased up?

A. There has been a certain stability, I think, which has developed as a result of the ceremonial activities in Gdansk and the other Baltic cities. There was some fear that those might produce instability, even violence, but they were conducted with calm and with dignity. The church, the unions, and the government were all represented, and every effort was made by

those three institutions in the Polish community to insure that those activities would be conducted in a way that was dignified and calm.

Having passed that potential explosive point, there has been a certain stability. But the Polish situation is still difficult; the economic situation is still difficult and, to some extent, inhibits the liberalization movement, or the "renewal process," as the Poles call it, that has been taking place with respect to the unions. So in those terms, the situation is somewhat easier than it seemed to be a couple of weeks ago.

Q. But there is no sign that the Soviets are withdrawing their troops or are stepping down their readiness?

A. Their readiness is still there.

Q. The Peoples Republic of China has issued a state-of-the-world review in which they warn that the United States and other nations had better get together to halt Soviet military expansion or face the choice of either abject surrender or world war. Do you share this grim outlook with regard to Soviet intentions?

A. The Soviet Union has posed serious problems for us, for themselves, for the West, including China. Nevertheless, I think the situation is not irremediable. It all depends on where the Soviets go from here to there. I put it this way: One of the most serious challenges facing us is the continuing challenge of reading Soviet intentions.

With respect to Afghanistan, they have paid some heavy costs, costs that have, in visible ways, restrained them. With respect to Poland, they have permitted the situation there to go beyond limits which they previously considered tolerable so, obviously, they have exercised restraint there.

Q. What about Iran, can you tell us what Soviet behavior has been there? Have they done anything to try to help bring the Iranian leaders to their senses, as you might put it?

A. With respect to the hostage question?

Q. That's correct.

A. Not to my knowledge.

Q. Have you seen any evidence that they've tried to keep this dispute going?

A. I don't think, recently. There was a time when their propaganda broadcasts, radio broadcasts, we thought, had the effect of inflaming opinion in Iran against the United States.

Q. You seemed to be suggesting earlier that the hostages may not be released until the Reagan Administration comes in. Would you recommend that President Reagan continue to negotiate for the release of the hostages—in effect, two Administrations being held hostage to the same problem?

A. What he does with respect to the problem will depend upon, I suppose, what the situation is on January 20. We try to keep him and his advisers informed, and now that we have a Secretary of State-designate, we are in a better position to keep him informed.

We are trying to solve the problem before he comes on so that he won't have this on his plate with other problems that will be on his plate. But whatever he may find expedient to do at that time will depend upon the circumstances.

. . .

¹ Press release 352. ■

Interview on the MacNeil/Lehrer Report

Secretary Muskie's interview for Public Broadcasting System's "MacNeil/Lehrer Report" with Robert MacNeil and Jim Lehrer on January 6, 1981

Iran's Prime Minister Mohammed Ali Rajiv today consulted the Ayatollah Khomeini on the latest stage in the hostage negotiations, but what precisely inspired is unclear. Afterward Rajiv appeared on Iranian television, and there are several versions of what he said.

According to one, the Ayatollah said the government could accept guarantees from the Algerian intermediaries to solve the hostage problem. The other version has the word "undertakings" instead of "guarantees." Before the Algerians returned to Iran last week with the latest Iranian counterproposals, some Iranians said they would accept whatever guarantees satisfied the Algerians. Meanwhile, the whereabouts of the hostages themselves are again in doubt. On Saturday, the three hostages held long at the Iranian Foreign Ministry were forced to move to an unknown location. Today, an unidentified Administration official in Washington said one of them may be in jail. Tonight, the Administration view of the hostage situation and other matters. Secretary of State Edmund Muskie is with Jim Lehrer in Washington.

Q. First, on the hostages themselves. Do we know now that some of them are in jail?

A. No, we do not. I don't know the source of the report to which Robert MacNeil referred. We don't know where they are. The Government of Iran has not confirmed the move on the grounds that the hostages are now under government control; that they wanted to bring them all together, wherever they are—is, in an appropriate place. This is the explanation we have.

Q. There had even been statements—oh, 10 days ago, I think—from a Department of State spokesman [John Tanner] about the possibility that one of the hostages were now in jail. Is there's no new development on it? We have no new information about that, though, is that correct?

A. No. The latest information we have about the other 49 is the news that we were given by the Algerian delegation. And that was all very positive. They saw all 52 hostages, spent some 7½ hours with them, talking to groups of them in their rooms or quarters; accepting letters from them to the people back here, and to the families back here, in the States; and taking pictures of all of those who were interested in having pictures taken. I think there's only one who did not. So they had that much time to observe the hostages, and their impression was that they were in good physical health.

Q. The explanation, you said, that the Iranians had given for taking the three out of the Foreign Ministry was—do you buy that explanation—that the government has now taken control of the hostages?

A. In dealing with Iranians, I'm always interested in as many facts as I can get. One does not necessarily get a consistent version of what has happened or why. Our access to information is not perfect. The Swiss, of course, are our protective government in Tehran, representing our interests, and they are in almost daily contact with the Government of Iran. They give us the best information they can, and we rely on them to give us information. And there are other governments that are useful channels to information. But at this point we don't know where the three have been taken, but we are pursuing that question.

Q. Is there anything important in these reported remarks of the Ayatollah to the Prime Minister today that I just quoted? Is there some significance that you can read into that?

A. There is an additional report that you ought to have. Ambassador Gheraib, one of the Algerian delegation, also had a press conference subsequent to the ones to which you refer and made it clear that Algeria's only role is as intermediary. So whatever Khomeini said, it was not an accurate description of the Algerian role and certainly not a description that satisfied the Algerians.

Q. So that speculation that the Algerians might be performing something like the Camp David role of trying to come up with a parcel, a package, that brings both sides together, they are not doing that.

A. I think the most accurate way to describe their role—and I've used this description before—is that of a positive intermediary. Now, what do I mean by the word "positive"?

When they come to the United States to get our response, they do more than accept the document. They also ask questions about the document, undertaking to anticipate the questions that Iranians may put to them so that they can deliver the document with a rather full understanding on their own part of the document's significance and meaning. And they do that in reverse when they receive the Iranian response to our documents.

So they have been very helpful and very impressive in that respect, but they are no more than intermediaries.

Q. Last week, before they went back, one of the spokesmen in Iran—the man who's in charge of negotiations, Mr. Nabavi—said that they were prepared to hear a U.S. counter offer. Are you hopeful that what you have now sent back with the Algerians will produce a positive response in Iran? Do you have some hope of that?

A. Long ago I dismissed hope as a useful emotion in these frustrating talks. I don't even describe them as "negotiations." But one never knows, given the political power struggle that is going on in Iran today—and it seems to have developed into one of those more abrasive kinds of struggles, more public than it has been for some time—one never knows when someone in Iran is in a position to make a decision and to make a decision favorable to our proposals and to the hostages.

And the second point I would make is that, notwithstanding the positive role that the Algerians have played in conveying not only our documents but an explanation of them, it has been very difficult to convey to the Iranians precisely what the limitations are on our authority, on the President's authority, in a way that's credible to them. They're suspicious of us anyway. So we think that by patiently and persistently making our points, our limitations, reformulating our proposals in accordance with the questions that they raise, that we might at some point strike a formulation that gets a favorable response. Time is obviously running out; we're aware of that, and we hope they are.

Q. Have you asked the Algerians to emphasize that point to the Iranians, that time is running out?

A. Oh, indeed, and it wasn't necessary for us to emphasize it. They're quite aware of it, too.

Q. They can look at the calendar as well.

A. Yes.

Q. Is there any indication at this point as to when this next Iranian response to our counterproposals is going to be received here in the United States?

A. No, there isn't. I think that Rajai is scheduled to hold another press conference tomorrow. He had one today and gave us no response.

Q. It must be terribly frustrating for you to have to get information from a press conference every day or so.

A. Now it doesn't seem to me that you take your profession seriously enough. Aren't press conferences supposed to be informative?

Q. [Laughing] All right. Yes, sir.

A. But you're absolutely right. And, like so many politicians in this country, as well as in Iran, they often say things in public that are not necessarily a clue to what their thinking is or what they may be planning to do.

Q. Have the statements by President-elect Reagan, particularly those characterizing the Iranians as barbarians, have they been helpful or hurtful to the negotiations or the discussions—whatever you want to call them?

A. That's hard to measure. Certainly it struck a chord over in Iran and some very vigorous reactions. But he has, of course, made it clear to them that they can't expect a better deal in a Reagan Administration than they can get from the Carter Administration, and to that extent perhaps it's useful.

Q. What do you make of all this talk in the last several days—and it's just talk, as I understand it—but the suggestion that some people are going to make to President-elect Reagan that what he ought to do is ask the Congress to declare war on Iran. Does that sound like a good idea to you?

A. If we do that, we risk turning away from one of our two objectives. Our two objectives from the beginning of this Administration have been, first,

the hostages' safety and speedy return—the word "speedy" has to be dropped now—and, secondly, to do so consistent with national honor.

Once we go to these other alternatives, there is a risk. There are risks even in our present strategy, so it may be that another look at those options would be in order. But the fact that one looks at options doesn't necessarily mean that one is looking seriously at one option or another. And I think a new administration would, as I think Vice President-elect Bush put it, examine the problem from ground zero.

When you do that, you look at a lot of options that you won't necessarily consider seriously, and I don't think it would be useful for me to prejudge options that may not be considered seriously.

Q. Why is it in the Iranian interest to solve this before the Carter Administration leaves?

A. It seems logical to me, even in terms of their own interest, that they should have solved it long ago. But our logic doesn't seem to run parallel with Iranian logic.

Q. You mentioned national honor a moment ago. We've rejected the \$24 billion deposit demand. We have offered, as I understand, something like \$6 billion. Why is our offer of \$6 billion consistent with national honor and their demand for \$24 billion not acceptable as consistent with national honor?

A. The principles on which we have been negotiating—two important principles; one, if they will undo what they did—that is, seize the hostages—we would do everything we can within the limits of the President's authority to undo what we did in retaliation. The \$6 billion figure, which doesn't come from the State Department or any official source—and I'm not going to use any numbers—but the number that has been used is that the assets frozen at the time the hostages were seized amounted to about \$8 billion. Any sum in excess of that would do more than restore our financial relationship to the *status quo ante*. That's the first principle.

The second principle is that if and when this exchange of actions is taken, they must be taken simultaneously—that is, so that we are sure of getting the hostages back for taking our action and so that they are sure of getting their assets back.

The complicating factor in all of this is that subsequent to the freezing of the assets, a great number of suits arising out of business and banking arrangements that the Iranians had entered into before the seizure of the hostages changed. Banks offset loans against assets; people with claims against Iran filed suit and made attachments. That's the complicating factor.

One cannot just arbitrarily wipe out the rights of those people to a judicial settlement of their claims. That's the complicating factor; and it's the amount of those claims, which is very hard to measure, that complicates the net numbers to which you refer. There's nothing like \$24 billion in Iranian assets involved in all of this.

Q. So is it wrong to think of this as a negotiation like a labor negotiation where they start with a high demand and then there's a lower offer and gradually the two sides come together monetarily?

A. I don't see it in that fashion at all. Recall that I said the principle is to restore each other's position to what it was. Given the fact that a year irrevocably changes those positions to some extent, you can't give the hostages back that wasted year; and, in the case of the assets, these attachments have complicated the Iranians' claim to their assets. So you can't put them back.

And so you're dealing with fixed items. You can't negotiate down the claims. What we've offered to do is to create an international claims settlement procedure—which would substitute for the judicial process—to make judgments as to the validity of claims and to arrange for their settlement.

In order to wipe the slate clean at some point, Iran has said that it is willing to pay its just debts. But, beyond that, it is not willing to concede against its own assets. So the numbers are not really that flexible.

Q. It sounds as though there's not much more room for maneuver.

A. To answer that question adequately would require that I go into the matter more extensively than I think would be helpful.

Q. On a scale of 1 to 10, what do you think the chances are of the hostage situation being resolved by the deadline, January 16?

A. That method of measuring is useful in the United States but not in Iran.

Proposed Chad-Libya Merger

DEPARTMENT STATEMENT,
JULY 9, 1981¹

We are very concerned about reports coming from Tripoli that Libya and Chad plan to work toward a merger of the two states. Without trying to interfere in Chad's internal affairs, we note that it appears the entire Arab League Transition Government (ALT) has not been consulted about the proposal.

Our policy has been clear from the beginning. We support the provisions of the Lagos accord and the Lagos communiqué. The United States has also been attached to the principle of noninterference by one state in the internal affairs of another.

Most of Africa has expressed a great concern in recent days over Libya's blatant behavior. We share this concern and want to work with the African states to assure Chad's national sovereignty and territorial integrity.

Read to news correspondents by
Department spokesman John Trattner. ■

Q. You won't play my game, then?

A. No.

Q. [Laughing] Okay. Moving on to another major problem of Iran, which is at war with Iraq. Yesterday Iran announced that it had launched a major counteroffensive against Iraq. Is that as best you can tell?

A. I know what Iranian reports say about it. What they claim to have been involved in is Iraqi casualties in the hundreds. In terms of World War II, this was not a major offensive, but in terms of this war, that is a sizable loss. When they claim this victory.

Reports out of Iraq these days, or tomorrow—and I've been caught up in her things all day—made no reference to such an offensive. So all we have is the Iranian report, and Bani-Masr, who's in charge of the military operation, made that report to Khomeini and received a note of congratulations. That's the evidence that there was such an offensive.

The war has bogged down—it's the rainy season there now—into sort of a state of attrition at a very low pace. At the point neither country seems to be

in a position to achieve a quick victory over the other. It looks like a long, dragged out process which is taking its toll on both countries economically. They've lost a sizable portion of their oil revenues.

In the case of Iran, the sanctions, which were imposed as a result of the hostage issue, are denying it access to markets that otherwise would enable it to improve its ability to sustain the war effort. But Iraq, also, is suffering economic damage. So it looks now as though the war has settled down for the long term.

Whether or not at some point both parties will be receptive to the termination of hostilities, a cease-fire, withdrawal from territories, negotiations, I think that is the objective toward which we ought to address our efforts with other countries in the Security Council.

Q. But it doesn't look like that's on the immediate horizon, right?

A. No, it does not.

Q. Let me move on to another part of the world—Poland. Is the immediate threat of Soviet intervention there pretty well subsided for now?

A. Let me describe it as accurately as I can on the basis of the information that we have. There has been some reduction in Soviet military activity, but their state of readiness is still at the high level that it achieved in December. So they're in a position, militarily, to move on fairly short notice.

Internally, the tension level seems to have been reduced somewhat, but there are some difficult points ahead of us. There's the question of work-free Saturdays, for example. There's the question of the union for the farmers. And down the road further there's a scheduled congress of the party in Poland.

There is a very difficult economic situation which could trigger political reactions and then counterreactions from the government and maybe conceivably from the Soviet Union. So it's going to be a very delicate, sensitive, and potentially volatile situation for some time.

Q. In El Salvador as of last week, six Americans have recently been killed there—Americans who were working there, privately or under government auspices. Is there anything that requires

changing American policy or that can be done to stop this loss of American life there?

A. First of all, one must understand the basic situation. We have two forces contending for control in El Salvador: the right, made up of those who occupy the privileged position in the economy of the country traditionally; and the disadvantaged and dispossessed who seek to achieve a government that's more sensitive to their needs and their aspirations. There are those in both groups inclined to violence, and they both succeeded to the extent that last year there were 9,000 lives lost altogether.

The government is made up of a junta with military representation; a president, who is a civilian and a member of the Christian Democratic Party which is seeking to establish a moderate government and has pledged itself to reforms, land reform, which is perhaps the most important and significant and key reform proposal and which led to the deaths of the two Americans who were just killed and a very significant El Salvadoran political figure, Mr. Viera [Jose Rodolfo Viera, President of El Salvador's Institute for Agrarian Transformation], who was sensitive to the needs of the poor and the disadvantaged.

The land reform program is the object of the displeasure of both the left and the right. The privileged people who have owned the land and, in effect, dominated the economy see land reform as a threat to their privileged position. The left sees land reform as a reform which frustrates the kind of change that they would like to initiate through violence and overthrow. So land reform and reforms of this kind that are sponsored by the government are attacked and resisted from both ends of the spectrum.

Mr. Hammer, who was one of the Americans killed, regrettably, in this recently was in charge of the land reform program. He had enemies on both sides. The question is, from which side of the political spectrum did the attack come? President Duarte and the Defense Minister responded quickly to protests of our charge [d'affaires], and they're pressing for an investigation.

But the problem is how to get the moderate center established and credible and how to build support for them, given these pressures from the left and the right. And people get caught in the

middle, whether they're Americans or anyone else, treading on dangerous ground.

Q. Finally, to your favorite subject, Zbigniew Brzezinski. As you know, in the past week both U.N. Ambassador Donald McHenry and former State Department spokesman Hodding Carter have gone after him. McHenry said, for instance, that Brzezinski spoke out publicly when he shouldn't have and has been sending mixed signals around the world on U.S. foreign policy. Is that true?

A. Let me put it this way. This subject has been discussed now in just about every—well, I won't say every but many interview programs which I've been on.

Q. We're looking for something fresh. [Laughter]

A. I have nothing fresh to say. I've tackled the subject from the institutional point of view—the respective role of the National Security Council and the State Department—and I've made those views known and clear. I don't think it's useful, nor am I inclined, to get involved in a personality contest with Zbig. Zbig and I are good friends, we get along fine, I find him congenial, and I see no reason at this point to comment.

Q. But McHenry wasn't a personality thing. McHenry was talking about—he's the U.N. Ambassador of the United States—sending mixed signals on foreign policy. He didn't attack him personally. Hodding Carter's statement is a little different.

A. Let me put it in institutional terms. What Don McHenry had to say could have been said when Henry Kissinger was National Security Adviser; it could have been said in previous Administrations when the National Security Adviser was given a public voice. That's a problem. It's the President's choice as to whether or not that's what he wants.

Q. And President Carter clearly made that choice.

A. He clearly did, and he saw advantages in it for him. Zbig says that an activist President—that is, a foreign policy activist President—will give his National Security Adviser automatically more visibility, which is a legitimate point of view.

Q. David Broder, in a column in *The Washington Post* recently said that you offered your successor-designate, Alexander Haig, four rules.

A. Don't call them rules; I don't.

Q. No press secretary for the Security Adviser; no press briefings or TV appearances; no contacts with foreign governments; and for him to do his job and not the State Department's. Is that an accurate reflection of what you think the rules ought to be?

A. That wasn't put in the diplomatic way that I've learned to say things, or tried to, in the last 6 months.

Q. But structurally you think that would help.

A. I think that those four points highlight the point that I made a moment ago. The President, under the Constitution, makes foreign policy; he's got greater powers there than he does in domestic policy.

Secondly, he ought to have a Secretary of State in whom he has confidence as his delegated voice.

That's the arrangement, and that should be the arrangement. To the extent that someone else—whether it's the National Security Adviser or the Secretary of Defense—articulates foreign policy, then to that extent you send mixed signals, or at least risk it.

¹Press release 2 of Jan. 7, 1981. ■

U.S.-Canada Technical Meeting on Dioxin

JOINT STATEMENT
DEC. 19, 1980¹

At the invitation of the Department of State, U.S. and Canadian officials and health and environmental scientists met in Washington December 19, 1980, to discuss recent findings regarding 2,3,7,8-TCDD (dioxin) in the Great Lakes and to develop an effective response to the problem. The Canadian delegation was led by the Department of External Affairs and included experts from the Ministries of Health and Welfare, Environment Canada, Fisheries and Oceans, and the Province of Ontario. The U.S. delegation, led by the Department of State, included experts from the Environmental Protection Agency, the Departments of Health and Human Services, Interior, and the Veterans Administration. Government specialists from the States of New York and Michigan also took part.

Canadian scientists presented the results of a recent Environment Canada study which revealed the presence of 2,3,7,8-TCDD in Great Lakes herring gull eggs. The discovery of 2,3,7,8-TCDD in the Great Lakes Basin, through recent advances in analytical technology, shows that the compound has been present in declining quantities in the eggs over the past decade. Other scientific findings from both governments on 2,3,7,8-TCDD and concerns related to health and environment were compared and discussed.

As a result, Canada and the United States will be exchanging information and cooperating in an effort to:

- Identify sources of 2,3,7,8-TCDD in the Great Lakes, with particular attention being paid to sources related to 2,4,5-trichlorophenol production; it was reported that this material is no longer being produced in the Great Lakes Basin;
- Review the presence of 2,3,7,8-TCDD in fish, with emphasis on analytical methodology, human exposure, and evaluation of potential health hazards, and establish mechanisms to deal with these issues;
- Investigate the way that 2,3,7,8-TCDD is transported through and affects the environment; and

Formulate plans for coordinated

In addition to these immediate actions, the governments also plan to prepare an international conference on air pollution, tentatively scheduled in Washington in October 1981, the results of which will be forwarded to the agencies of the governments. The U.S. will continue to forward information on the TSCD to the International Joint Commission which, through its Great Lakes Water Quality Board and Science Advisory Board, is already considering such issues.

Press release 351 of Dec. 19, 1980. ■

Pollution Legislation

Federal agencies are examining the effects of recent Canadian legislation dealing with air pollution which may affect the United States. By unanimous agreement on December 16 the Canadian House of Commons adopted a measure which would enable the Canadian Federal Government to take action in instances where there is reason to believe that Canadian emission sources contribute to air pollution in another country. The Canadian law is similar in scope to Section 115 of the U.S. Clean Air Act. That section provides authority by the U.S. Federal Government to initiate revision of State implementation plans on air quality in those areas where there is reason to believe that pollution from U.S. sources endangers public health or welfare in a foreign country, so long as that country provides "essentially the same rights" as the United States.

In the coming period the U.S. Government will consider whether the Canadian legislation provides the reciprocity required under Section 115. Canada's action, taken in the context of the Memorandum of Intent on transboundary air pollution signed by Secretary of State Alexander Haig and Canadian Minister of the Environment on August 5, 1980, is a positive step toward closer cooperation in dealing with transboundary air pollution issues.

Press release 355 of Dec. 4, 1980. ■

Two Years of U.S.-China Relations

The United States and the People's Republic of China established diplomatic relations on January 1, 1979. Since then, the U.S. and Chinese Governments have cooperated in the rapid reconstruction of normal relations in virtually every field. The Office of Chinese Affairs in the Bureau of East Asian and Pacific Affairs has compiled the following chronology for the benefit of students, scholars, and the interested public.

1979

January 1

On the basis of the joint communique and separate statements issued on December 15, 1978, the U.S. and the People's Republic of China (P.R.C.) extend mutual recognition and establish diplomatic relations. U.S. simultaneously withdraws recognition and breaks diplomatic relations with Taipei. U.S. gives notice to the Taiwan authorities that it is exercising its right under Article X of the March 3, 1955, "Mutual Defense Treaty between the United States of America and the Republic of China" to terminate that treaty effective January 1, 1980. While the treaty remains in force, the U.S. will impose a 1-year moratorium on new commitments for U.S. arms sales to Taiwan, although previous commitments for arms deliveries will be honored.

Chinese officials attending the third session of the fifth National People's Congress (NPC) declare that China will respect the "status quo on Taiwan . . . in settling the question of reunification"; that "all military confrontation should be ended" between the government of China and the Taiwan authorities; that both sides should reestablish postal and transportation links and develop bilateral trade.

January 2

Vice Premier Deng Xiaoping tells U.S. congressional group, led by Representative Thomas L. Ashley (Ohio), that reunification of Taiwan with the rest of China will be peaceful.

January 3-14

Senator Sam Nunn (Georgia) leads a delegation of the Pacific Study Group of the Senate Armed Services Committee to China.

January 9

In conversation with Senator Nunn and Senate group, Vice Premier Deng tells delegation that Taiwan need not disarm after reunification; calls for bigger U.S. naval presence in Pacific and greater Southeast Asian defense cooperation.

January 11

Chinese Government drops tariffs on imports from Taiwan.

January 16

American Institute in Taiwan (AIT) is registered as a private, nonprofit corporation in the District of Columbia.

January 22-26

Deputy Assistant Secretary of State for International Trade Affairs William Baraclough, chief U.S. textile negotiator Michael Smith, and chief of China Textiles Import-Export Corporation Han Fangyu lead preliminary consultations on textile trade in Washington.

January 26

President Carter formally transmits to Congress a draft bill to implement the U.S.-China joint communique and to empower the AIT to manage unofficial relations with the people on Taiwan.

January 28-

February 5

Vice Premier Deng, Vice Premier Fang Yi, and Foreign Minister Huang Hua visit the U.S. In Washington they meet for talks with President Carter, Secretary of State Cyrus R. Vance, and leading members of the Senate and House of Representatives. Vice Premier Deng and entourage then visit Atlanta, where they tour Ford Motor Company; Houston, where they visit NASA facilities and Hughes Tool Company; and Seattle, where they tour Boeing's 747 plant.

January 31

Vice Premier Deng reiterates, in a U.S. television interview, that China will make all attempts to bring about reunification with Taiwan by peaceful means.

President Carter and Vice Premier Deng preside at a ceremony at which a series of agreements are signed. These agreements commit both sides to facilitate the reunification of families and establish

rules to govern problems of those who claim dual nationality, establish a Joint Commission on Scientific and Technological Cooperation, promote collaboration in the field of high energy physics, and encourage cultural exchange and cooperation between the two countries. Separately, the two sides agree to establish a Joint Economic Committee.

February 1

"Joint press communique" issued in which the U.S. and China agree to facilitate the accreditation of resident journalists and undertake to conclude trade, aviation, and shipping agreements.

February 12-24

Representative Les AuCoin (Oregon) leads State trade delegation to China.

February 15

Taiwan agrees to the establishment of a nongovernmental organization, the Coordination Council for North American Affairs (CCNAA), to carry out unofficial relations with the people of the U.S.

February 17

Representative AuCoin and his delegation meet with Bank of China Deputy Manager Jin Deqin and other Bank of China officials; discuss the claims settlement question and the possibility of Export-Import Bank loans to China.

State Department responds to Chinese intervention in Vietnam by calling for "immediate withdrawal of Vietnamese troops from Cambodia (Kampuchea) and Chinese troops from Vietnam."

February 24-28

Governor Jay Hammond (Alaska) leads trade mission to China; Hammond is the first U.S. governor to visit China following normalization.

February 24-

March 4

Secretary of the Treasury W. Michael Blumenthal visits China and meets with Premier Hua Guofeng, Vice Premier Deng, and other senior Chinese officials.

February 26

Following hearings before the Senate Foreign Relations Committee, the Senate (82 to 9) confirms U.S. Liaison Office chief Leonard Woodcock as the first U.S. Ambassador to the P.R.C.

February 26-

March 2

Minister of Metallurgical Industries Tang Ke visits U.S.; meets with Secretary of Commerce Juanita Kreps.

February 28

Embassy of the formerly recognized Chinese Government (Taipei) officially closes in Washington, as does the American Embassy at Taipei.

March 1

U.S. and China formally establish diplomatic relations at the ambassadorial level as Embassies open at Beijing and Washington. Chinese Ambassador Chai Zemin presents his credentials to President Carter in Washington.

March 2

Secretary Blumenthal and Minister of Finance Zhang Jingfu initial a claims settlement agreement which provides for payment by China of \$80.5 million in settlement of \$196 million in property claims of U.S. nationals and the release by the U.S., by October 1, 1979, of approximately \$80.5 million in Chinese assets frozen during the Korean war.

March 7

Ambassador Woodcock presents his credentials to Ulanhu, Vice Chairman of the Standing Committee of the NPC, in Beijing, thus completing the establishment of ambassadorial relations between the U.S. and China.

March 8-18

Governor Richard Thornburg (Pennsylvania) leads trade mission to China.

March 13

U.S. Senate and House of Representatives pass separate bills on U.S. non-governmental relations with Taiwan.

March 15-24

Deputy Secretary of Agriculture Dale Hathaway leads a U.S. Department of Agriculture delegation to China. Representative Bill Alexander (Arkansas) accompanies the delegation.

March 16

Chinese Government formally protests congressional amendments to the Taiwan Relations Act, charging that the legislation contravenes the principles of normalization recorded in the joint communique.

March 24-31

House Ways and Means Committee delegation, led by Representative Al Ullrich (Oregon), visits China; meets with Vice Premier Deng.

March 27

House backs Senate-House compromise on the Taiwan Relations Act (339 to 50).

March 28

Senate approves Taiwan Relations Act (85 to 4).

April 3

China delays signing the "claims-asset settlement in protest of legislative act on Taiwan Relations Act.

April 10

President Carter signs the Taiwan Relations Act (Public Law 96-8), stating that he will implement it in a manner consistent with U.S. commitments under the joint communique.

AIT formally opens in Taipei.

April 12-20

Textile negotiator Smith, and chief of China Textiles Import-Export Corporation Han Fangyu, lead the first round textile negotiations in Beijing.

April 13-19

Representative Jack Brooks (Texas), Chairman of the Committee on Government Operations, leads a congressional delegation to China.

April 14-17

Representative William Nichols (Alabama) visits Beijing in connection with U.S.-China textile negotiations.

April 14-21

Representative Melvin Price (Illinois), Chairman of the House Armed Services Committee, leads congressional delegation to China; meets with Vice Premier Deng and Deputy Chief of the General Staff of the People's Liberation Army (PLA) Wu Xiuquan.

April 15-20

Senate Foreign Relations Committee delegation, headed by Senators Frank Church (Idaho) and Jacob Javits (New York), visits China. A group of northwestern business representatives accompanies delegation.

April 16

Vice President of the Academy of Sciences Huan Xiang leads delegation

Washington for meetings with the U.S. Committee on Scholarly Communication and the P.R.C.

May 17-28

Minister of Communications Peng Zhen leads delegation to Seattle to attend ceremonies marking the first call of a Chinese ship at a U.S. seaport.

May 18

Representative Brooks' delegation meets with Vice Premier Deng.

May 19

Premier Deng tells Senator Church his delegation that the Taiwan Relations Act undermines the normalization of S-China relations and comes close to lying it.

May 21-24

Representative Augustus Hawkins (California) leads delegation of the House Education and Labor Committee to China.

May 22

Representative Hawkins and his delegation meet with Vice Premier Li Xiannian; discusses China's major economic problems and the importance of good relations with China, Japan, and the Western alliance in preventing world war.

May 23

Representative Hawkins and his delegation meet with Deputy Director of the State Bureau of Labor Wang Jiong.

May 24-

Director of the National Bureau of Standards International Affairs Division Edward Brady leads delegation to China.

May 30

U.S. forces and military installations withdrawn from Taiwan.

May 4-15

Secretary of Commerce Kreps leads delegation to China; first round of U.S.-China negotiations on a maritime agreement is held in Beijing.

May 7

Secretary Kreps and Minister of Foreign Affairs Li Qiang attend ceremonies in Beijing for the signing of four protocols covering atmospheric sciences, marine fisheries sciences metrology and standards, and the management of scientific and technological information.

May 7

Secretary Kreps and Minister of Finance Zhang Jingfu formally sign the long-sought "claims-assets" agreement initiated during Secretary Blumenthal's March visit.

May 10

Secretary Kreps and Minister Li sign agreement designed to facilitate trade exhibitions for American and Chinese goods.

May 14

Secretary Kreps and Minister Li initial bilateral trade agreement.

May 19-

June 3

U.S. National Aeronautics and Space Administration (NASA) delegation, led by Administrator Robert Frosch, arrives in Beijing to implement the Sino-U.S. scientific and technical cooperation agreement.

May 21

NASA delegation meets Vice Premier Yu Qiuli.

May 21-30

Textile negotiator Smith and chief of China Textiles Import-Export Corporation Han Fangyu lead the second round of U.S.-China textile negotiations in Beijing.

May 22-29

U.S. postal delegation, led by Postmaster General William Bolger, visits China.

May 25

U.S. postal delegation and Chinese Ministry of Posts and Telecommunications sign a memorandum of understanding which provides for direct exchange of letters and post items, establishment of an express mail service between U.S. and Chinese cities, exchange of information on postal technology, and settlement of outstanding postal accounts dating back to 1949.

May 26-

June 2

U.S. Special Trade Representative Robert S. Strauss leads governmental and business delegation to China; holds textile negotiations with the Chinese in attempt to reach a compromise agreement; promotes U.S.-China business contact.

May 28-

June 10

Vice Premier in charge of the State Economic Commission Kang Shien visits U.S. and meets in Washington with President Carter, Secretary of Energy James Schlesinger, and other senior U.S. officials to discuss energy cooperation and oil exploration.

May 30

Special Trade Representative Strauss ends textile talks with the Chinese without agreement.

May 31

U.S. quotas are unilaterally imposed on five categories of Chinese textile imports.

June 1

Chinese officials accompanying Vice Premier Kang in the U.S. announce the beginning of negotiations with nine of the largest U.S.-based oil companies for seismic surveys in the South China Sea, which could lead to major U.S. involvement in Chinese offshore oil exploration.

June 3-7

Governor John Dalton (Virginia) leads delegation to China.

June 4-

July 1

Chief of the Office of Energy Resources of the U.S. Geological Survey (USGS), C. D. Masters, leads USGS petroleum (June 4-July 1) and remote sensing (June 4-28) delegations to China; groups visit China's Scientific Research Institute for Petroleum Exploration and Development.

June 5-6

M. J. Terman of the USGS Office of International Geography and Director of China's State Bureau of Geology (SBG) Sun Daguang meet in Beijing to discuss future USGS-SBG scientific cooperation.

June 6

Senate passes a nonbinding resolution that "approval of the U.S. Senate is required to terminate any Mutual Defense Treaty between the United States and another nation." The resolution is related to a Federal judge's decision earlier that day to dismiss a suit brought by 25 members of Congress against the President's decision to terminate the U.S. Mutual Defense Treaty with Taiwan.

June 6-9

Five American USGS remote sensing delegation geologists visit the Chaidamu

Basin in western China. They are the first known foreigners to learn the current status of geological research and petroleum exploration in this area.

June 11-25

Office of Earthquake Studies chief Robert Wesson leads USGS delegation to China as part of the U.S.-China cooperative earthquake program; group meets with China's State Seismological Bureau officials.

June 16-29

National Committee for U.S.-China Relations sponsors U.S. Conference of Mayors delegation to China.

June 19

Mayoral delegation meets with Vice Premier Li; discuss Sino-American economic relations.

June 22-30

Secretary of Health, Education and Welfare Joseph Califano visits China.

June 22

Secretary Califano and Chinese Minister of Health Qian Xinzong sign protocol on Cooperation in the Science and Technology of Medicine and Public Health.

Secretary Califano meets with Vice Premiers Fang Yi and Chen Muhua.

June 23

Secretary Califano signs a memorandum of understanding covering U.S.-China educational exchange programs, providing for the exchange of about 50 persons from both countries.

June 23- July 13

Ambassador to the U.N. Conference on Science and Technology for Development (UNCSTD) Theodore Hesburgh leads delegation to China; delegation studies the role of traditional and modern science and technology in China's development.

June 24

Secretary Califano discusses U.S.-China educational exchange with Vice Premier Li Xiannian.

June 25

UNCSTD delegation meets with Vice Minister in Charge of the State Commission for Science and Technology Jiang Ming and Minister of Foreign Affairs Huang Hua.

June 26

UNCSTD delegation meets with State Economic Commission Deputy Director Guo Futao and Vice Premier Fang Yi.

June 28

Mayoral delegation meets with Guangdong Revolutionary Committee Chairman Yang Shangkun.

July 2-13

Ohio State trade delegation, headed by Governor James Rhodes, visits China.

July 6

Governor Rhodes and delegation meet with Vice Premier Yu Qiuli.

July 7

Ambassador Woodcock and Minister of Foreign Trade Li Qiang sign 3-year U.S.-China trade agreement in Beijing, by which the two countries accord each other most-favored-nation (MFN) tariff treatment and agree to other measures to promote bilateral trade and economic interaction.

July 10-24

Minister of Finance Zhang Jingfu visits U.S.

July 11

Minister Zhang and Treasury Secretary Blumenthal open talks in Washington.

August 7

Senator Henry Jackson (Washington) arrives in China for 18-day visit.

August 10-28

Governor John Carlin (Kansas) leads State trade mission to China.

August 14

Chinese officials and Pan American World Airways sign agreement concerning charter flights between San Francisco and Shanghai.

U.S. determines that China is a "friendly country" for the purposes of Section 607a of the Foreign Assistance Act of 1961, thus permitting U.S. Government agencies to furnish services and commodities to China on a reimbursement basis.

August 15-22

Representative Harley O. Staggers (West Virginia) leads a House Interstate and Foreign Commerce Committee delegation to China.

August 24

Senator Jackson tells the press in Beijing that Chinese leaders told him further

delay in MFN status would adversely affect U.S.-China relations.

August 25- September 1

Vice President Mondale leads delegation to China.

August 26

Vice President Mondale says U.S.-China trade agreement will be submitted to Congress by November 1.

August 27

In a nationally televised address to the students and faculty of Beijing University, Vice President Mondale says the U.S. is ready to grant China \$2 billion in Export-Import Bank trade credits over the next 2-5 years and states that a weakened or isolated China would not be in U.S. interest.

August 28

Vice President Mondale signs agreement with China to expand cultural relations and promote cooperation in hydroelectric power and related water resource management.

August 31

Vice President Mondale formally opens the American Consulate General at Guangzhou, capital of Guangdong Province.

Chinese Government agrees to negotiate a civil aviation agreement with the U.S. Vice President Mondale indicates that the Carter Administration will terminate and replace with an unofficial arrangement the Nanking agreement of 1946, which regulates civil air transport between the U.S. and Taiwan, but purports to grant U.S. carriers landing rights on the Chinese mainland.

Treasury Department allows the first U.S. Government checks to be sent to China since 1949.

September 9-21

Governor of Anhui Province, Wan Li, visits U.S. as guest of Governor Harry Hughes (Maryland).

September 15- October 5

Minister of Agricultural Machinery Yang Ligong leads delegation to U.S.

September 16-23

Governor Dixy Lee Ray (Washington) leads delegation to China; meets with Vice Premier Deng and other senior Chinese officials.

The Inaugural Address of President Reagan

Ronald Reagan was sworn in as 40th President of the United States on the west side of the Capitol on January 20, 1981. Following is the text of his inaugural address.¹

A few of us here today, this is a solemn and most momentous occasion. Yet in the history of our nation, it is a commonplace occurrence. The orderly transfer of authority, as called for by the Constitution, routinely takes place as it has for almost two centuries. Few of us stop to think how unique these really are. In the eyes of many in the world, this every-4-year ceremony except as normal is nothing less than a miracle. Mr. President, I want my fellow citizens to know how much I did to carry on this tradition. By your gracious cooperation in the transition process, you have shown a watchword for the world that we are a united people, pledged to maintaining a political system which guarantees individual liberty to a greater degree than any other.

I thank you and your people for all your help in maintaining the continuity which is the bulwark of our republic.

The business of our nation goes forward. These United States are confronted with an economic affliction of great proportions. We suffer from the worst, and one of the worst, sustained depressions in our national history. It distorts our economic decisions, penalizes thrift, and crushes the struggling young and the fixed-income elderly alike. It threatens to shatter the lives of millions of our people. Idle industries cast workers into unemployment, human misery, and personal indignity. Those who do work are denied a fair return for their labor by a tax system which penalizes successful achievement and keeps us from maintaining full productivity.

But great as our tax burden is, it has not kept pace with public spending. For decades we have piled deficit upon deficit, mortgaging our future and our children's future for the temporary convenience of the present. To continue this long trend is to guarantee tremend-

ous social, cultural, political, and economic upheavals. You and I as individuals can, by following, live beyond our means but for only a limited period of time. Why then should we think that collectively, as a nation, we're not bound by that same limitation? We must act today in order to preserve tomorrow. And let there be no misunderstanding—we're going to begin to act beginning today.

The economic ills we suffer have come upon us over several decades. They will not go away in days, weeks, or months, but they will go away. They will go away because we, as Americans, have the capacity now, as we've had in the past, to do whatever needs to be done to preserve this last and greatest bastion of freedom. In this present crisis, government is not the solution to our problem; government is the problem.

From time to time we've been tempted to believe that society has become too complex to be managed by self-rule, that government by an elite

we're sick; professionals, industrialists, shopkeepers, clerks, cabbies, and truck drivers. They are, in short, we the people—this breed called Americans.

For this Administration's objective will be a healthy, vigorous, growing economy that provides equal opportunities for all Americans with no barriers born of bigotry or discrimination. Putting America back to work means putting all Americans back to work; ending inflation means freeing all Americans from the terror of runaway living costs. All must share in the productive work of this new beginning, and all must share in the bounty of a revived economy. With the idealism and fair play, which are the core of our system and our strength, we can have a strong and prosperous America at peace with itself and the world.

So as we begin, let us take inventory. We are a nation that has a government, not the other way around. And this makes us special among the nations of the Earth. Our government has no power except that granted it by

To those neighbors and allies who share our freedom, we will strengthen our historic ties and assure them of our support and firm commitment. We will match loyalty with loyalty.

group is superior—the government for, by, and of the people. But if no one among us is capable of governing himself, then who among us has the capacity to govern someone else? All of us together, in and out of government, must bear the burden. The solutions we seek must be equitable with no one group singled out to pay a higher price. We hear much of special-interest groups. But our concern must be for a special-interest group that has been too long neglected. It knows no sectional boundaries or ethnic or racial divisions, and it crosses political party lines. It is made up of men and women who raise our food, patrol our streets, man our mines and factories, teach our children, keep our homes, and heal us when

the people. It is time to check and reverse the growth of government which shows signs of having grown beyond the consent of the governed. It is my intention to curb the size and influence of the Federal establishment and to demand recognition of the distinction between the powers granted to the Federal Government and those reserved to the States or to the people. All of us need to be reminded that the Federal Government did not create the States; the States created the Federal Government.

Now so there will be no misunderstanding, it's not my intention to do away with government. It is, rather, to make it work—work with us, not over us; to stand by our side, not ride on our

backs. Government can and must provide opportunity, not smother it; foster productivity, not stifle it. If we look to the answer as to why, for so many years, we achieved so much, prospered as no other people on Earth, it was because here, in this land, we unleashed the energy and individual genius of man to a greater extent than has ever been done before. Freedom and the dignity of the individual have been more available and assured here than in any other place on Earth. The price for this freedom at times has been high, but we have never been unwilling to pay that price.

It is no coincidence that our present troubles parallel, and are proportionate to, the intervention and intrusion in our lives that result from unnecessary and excessive growth of government. It is time for us to realize that we are too great a nation to limit

land. Your dreams, your hopes, your goals are going to be the dreams, the hopes, and the goals of this Administration, so help me God.

We shall reflect the compassion that is so much a part of your makeup. How can we love our country and not love our countrymen? And loving them, reach out a hand when they fall, heal them when they're sick, and provide opportunity to make them self-sufficient so they will be equal in fact and not just in theory.

Can we solve the problems confronting us? Well, the answer is an unequivocal and emphatic yes. To paraphrase Winston Churchill: I did not take the oath I've just taken with the intention of presiding over the dissolution of the world's strongest economy. In the days ahead, I will propose removing the roadblocks which have slowed our economy and reduced pro-

our freedom, we will strengthen our historic ties and assure them of our support and firm commitment. We will match loyalty with loyalty. We will strive for mutually beneficial relations. We will not use our friendship to impose on their sovereignty, for our own sovereignty is not for sale.

As for the enemies of freedom, those who are potential adversaries they will be reminded that peace is the highest aspiration of the American people. We will negotiate for it, sacrifice for it; we will not surrender for it, now or ever. Our forbearance should never be misunderstood. Our reluctance for conflict should not be misjudged as failure of will. But if action is required to preserve our national security, we will act. We will maintain sufficient strength to prevail, if need be. Know that if we do so, we have the best chance of never having to use that strength. Above all, we must realize that no arsenal or no weapon in the arsenals of the world is so formidable as the will and moral courage of free men and women. It is a weapon our adversaries in today's world do not have. It is a weapon that we as Americans do have. Let that be understood by those who practice terrorism and prey upon their neighbors.

I'm told that tens of thousands of prayer meetings are being held on this day. For that I'm deeply grateful. We are a nation under God. And I believe God intended for us to be free. It will be fitting and good, I think, if on each inaugural day in future years, it should be declared a day of prayer.

This is the first time in our history that this ceremony has been held, as you've been told, on this west front of the Capitol. Standing here, one faces a magnificent vista, opening up on this city's special beauty and history. At the end of this open mall, are those shrines to the giants on whose shoulders we stand. Directly in front of me, the monument to a monumental man, George Washington, father of our country, a man of humility who came to greatness reluctantly. He led America out of revolutionary victory into infamy. Off to one side, the state memorial to Thomas Jefferson. The Declaration of Independence flames with his eloquence. And then, beyond the Reflecting Pool, the dignified columns of the Lincoln Memorial. Whoever would understand in his heart the meaning of America will find it in the life of Abraham Lincoln.

... peace is the highest aspiration of the American people. We will negotiate for it, sacrifice for it; we will not surrender for it, now or ever.

ourselves to small dreams. We're not, as some would have us believe, doomed to an inevitable decline. I do not believe in a fate that will fall on us no matter what we do. I do believe in a fate that will fall on us if we do nothing.

So with all the creative energy at our command, let us begin an era of national renewal. Let us renew our determination, our courage, and our strength, and let us renew our faith and our hope. We have earned every right to dream heroic dreams. Those who say that we're in a time when there are no heroes, they just don't know where to look. You can see heroes every day going in and out of factory gates; others, a handful in number, produce enough food to feed all of us and then the world beyond. You meet heroes across a counter and on both sides of that counter. They are entrepreneurs, with faith in themselves and faith in an idea, who create new jobs, new wealth, and opportunity. They are individuals and families who pay taxes, support the government, and whose voluntary gifts support church, charity, culture, art, and education. Their patriotism is quiet but deep; their values sustain our national life.

Now I have used the words "they" and "their" in speaking of those heroes; I could say "you" and "your" because I'm addressing the heroes of whom I speak—you, the citizens of this blessed

ductivity. Steps will be taken aimed at restoring the balance between the various levels of government. Progress may be slow—measured in inches and feet, not miles—but we will progress. It is time to reawaken this industrial giant, to get government back within its means, and to lighten our punitive tax burden. And these will be our first priorities, and on these principles there will be no compromise.

On the eve of our struggle for independence, a man who might have been one of the greatest among the Founding Fathers, Dr. Joseph Warren, president of the Massachusetts Congress, said to his fellow Americans: "Our country is in danger, but not to be despaired of. . . . On you depend the fortunes of America. You are to decide the important questions on which rest the happiness and liberty of millions yet unborn. Act worthy of yourselves." Well, I believe we, the Americans of today, are ready to act worthy of ourselves, ready to do what must be done to insure happiness and liberty for ourselves, our children, and our children's children.

And as we renew ourselves, here in our own land, we will be seen as having greater strength throughout the world. We will again be the exemplar of freedom and the beacon of hope for those who do not now have freedom. To those neighbors and allies who share

Secretary-Designate Haig Appears Before Senate Foreign Relations Committee

Opening statement by Secretary-designate Alexander M. Haig, Jr., before the Senate Foreign Relations Committee on January 9, 1981.¹

I am pleased to appear before this distinguished committee as the nominee of President-elect Ronald Reagan to be Secretary of State. I am prepared to answer any questions you may have concerning my qualifications for this office, my views on foreign policy, and my service to my country during the past three decades.

There could be no more critical time at which to assume the post of Secretary of State, and I am honored that the President-elect has chosen me as his designate. Over the past 200 years, the United States has stood as a beacon of liberty for the world. We have demonstrated that freedom and justice can thrive in a democratic society. We have, in this century, been often called to shed our blood for the nations of the free world; and in an ingenious and generous plan designed by a great Army general and Secretary of State, George C. Marshall, we helped, after the most devastating war in history, rebuild Europe and strengthen civilization.

Our record in this century is not perfect, but it should be a source of great pride. Our successes were founded on a firm commitment to our ideals combined with a sense of the realities of human nature and international politics. It is that combination that we must bring to bear in the decade ahead. If we do, I believe that America and its people will stand once again as an example for the peoples of the world and merit the highest judgment of history.

Our ideals must be reconciled with the reality we face. The United States must pursue its vision of justice in an imperfect and constantly changing world—full of peril but also full of opportunity. The world does not stand still for our elections, important as they are. Complex issues already crowd our foreign policy agenda. The earlier the Reagan Administration articulates its approach to these issues, the better served the nations of the world and the people of our own nation will be.

It would be premature here to set forth definitive policies or offer detailed

programs. Both tasks require analysis and thoughtful consideration by the President-elect and his advisers. But President-elect Reagan and I firmly believe that American foreign policy should have some permanent bedrock. The United States has been most effective in the world arena when the solid foundations of its foreign policy have been recognized and understood—by our own people and by the nations with which we must deal.

• • • •

The Present Global Environment

Every generation views its own perils as unprecedented. Even so, there is now widespread agreement that the years immediately ahead will be unusually dangerous. Evidence of that danger is everywhere.

- In Europe, still the fulcrum of the East-West balance, Soviet military power once again casts an ominous shadow over the efforts of an East European people to assert fundamental freedoms of association and expression.

- In the Middle East, an uneasy peace continues to be punctuated by raid and reprisal, with each such sequence threatening renewed and wider conflict.

- At the head of the Persian Gulf, war between Iran and Iraq threatens the very lifeblood of many national economies. Iran itself, once a major force for regional stability, lurches from demonstration to demonstration in a state of near anarchy. Meanwhile, not far to the east, 85,000 Soviet troops brutalize Afghanistan in the first major post-World War II employment of Soviet troops outside the area the Soviets have heretofore considered their sphere of influence.

- In Asia, sworn enemies face one another along a 5,000-mile arc from Thailand to the Manchurian frontier. On the Korean Peninsula, only a fragile truce persists nearly 30 years after the formal cessation of Korean hostilities.

- In Africa, Southeast Asia, Central America, and the Caribbean, turmoil and violence stunt national development and invite terrorism from within and adventurism from without, as millions of human beings starve and thousands of new refugees seek shelter each day.

Beyond those monuments to
bism is the Potomac River and on
far shore, the sloping hills of
ngton National Cemetery, with its
upon row of simple white markers
ring crosses or Stars of David. They
up to only a tiny fraction of the
e that has been paid for our
dom. Each one of those markers is
onument to the kind of hero I spoke
earlier. Their lives ended in places
ed Belleau Wood, the Argonne,
Cha Beach, Salerno, and halfway
nd the world on Guadalcanal,
awa, Pork Chop Hill, the Chosin
ervoir, and in 100 rice paddies and
ples of a place called Vietnam.

Under one such marker, lies a
ng man, Martin Treptow, who left
ob in a small-town barber shop in
' to go to France with the famed
bow Division. There on the west-
front, he was killed trying to carry
essage between battalions under
y artillery fire. We're told that on
ody was found a diary. On the fly-
under the heading "My Pledge," he
written these words: "America
t win this war. Therefore, I will
x, I will save, I will sacrifice, I will
ire, I will fight cheerfully and do
atmost as if the issue of the whole
ggle depended on me alone."

The crisis we are facing today does
require of us the kind of sacrifice
Martin Treptow and so many thou-
s of others were called upon to
e. It does require, however, our
effort and our willingness to
ve in ourselves and to believe in
capacity to perform great deeds. To
ve that together, with God's help,
an and will resolve the problems
h now confront us. And after all,
shouldn't we believe that? We are
ericans. God bless you.

¹Text from Weekly Compilation of
idential Documents of Jan. 26, 1981. ■

It is no wonder the 1980s have been called a decade of crisis. Yet it is precisely that sort of appraisal which I believe we must reject. The very term "crisis" implies that events are out of control and that our nation can only react.

But the task of statesmanship is not simply to react to events. Those I just described are merely the current symptoms of more fundamental world problems. The task of statesmanship is to master these problems and thus minimize the necessity for ricocheting from crisis to crisis.

Today we face a world in which power in a variety of forms has become diffused among over 150 nations. Adjustment of relations with and among so many separate governments would be difficult enough, even were all equally responsible and equally committed to stability and peace. But many are willing to foment instability and violence to achieve their objectives. That reality alone should argue for better coordination of policies among the free nations. As I have underscored more than once to our allies in Europe, artificial operating boundaries self-imposed in a simpler era are increasingly irrelevant to today's needs to formulate and pursue policies together.

But the diffusion of power and its resulting instability are not the only arguments for concerted allied action. Our collective vulnerability to international unrest is matched by a socioeconomic challenge that we all share. The growing interdependence of our economies and our continued reliance on foreign sources for energy and raw materials have stripped the West of the independent and collective resilience which once allowed one nation's economic strength to bolster another's momentary weakness.

The significance of the economic challenges we face cannot be overemphasized. The potential for worldwide boom-or-bust is not unrelated to the diffusion of power among so many nations. Indeed, the decline in world oil supplies resulting from the war between Iran and Iraq is stark testimony that instability may be most likely precisely where its effect on world economies promises to be most debilitating.

Much of the fragmentation of power has occurred in the so-called Third World—a misleading term if ever there was one. If one thing has become abundantly clear in the last decade or so, it is that the commonality of condition, purpose—and by extension, U.S. foreign policy—implied by the term "Third World" is a myth, and a dangerous one at that.

Recent American foreign policy has suffered from the misperception which lumps together nations as diverse as Brazil and Libya, Indonesia and South Yemen, Cuba and Kuwait; and which has too frequently produced attempts to cut the national pattern to fit the foreign policy cloth. This failure to tailor policy to the individual circumstances of developing nations has frequently aggravated the very internal stresses which Western policy should seek instead to diminish. Our difficulties in this regard have hardly been lessened by our propensity to apply to these emerging states Western standards which resolutely ignore vast differences in their social cultures, political development, economic vitality, and internal and external security.

These fundamental problems—the diffusion of power, the interdependence of the allied community, and the failure to recognize the variety among the so-called Third World nations—are made the more intractable by what is perhaps the central strategic phenomenon of the post-World War II era: the transformation of Soviet military power from a continental and largely defensive land army to a global offensive army, navy, and air force fully capable of supporting an imperial foreign policy. Considered in conjunction with the episodic nature of the West's military response, this tremendous accumulation of armed might has produced perhaps the most complete reversal of global power relationships ever seen in a period of relative peace. Today the threat of Soviet military intervention colors attempts to achieve international civility. Unchecked, the growth of Soviet military power must eventually paralyze Western policy altogether.

These, then, are fundamental problems which challenge American foreign policy and the future of the democracies generally. To say that is not to diminish the importance of other Western goals—the eradication of hunger, poverty, and disease; the expansion of the free flow of people, goods, and ideas; the spread of social justice; and through these and similar efforts, the improvement of the human condition. It is simply to recognize that these desirable and critical objectives are impossible to achieve in an international environment dominated by violence, terrorism, and threat.

The United States has a clear choice. We can continue, if we wish, to react to events as they occur—serially, unselectively, and, increasingly in the final analysis, unilaterally. One lesson of Afghanistan is certainly that few symptomatic crises are capable of effectively rallying

the collective energies of the free world. We may wish it were otherwise, but winning will not make it so.

Alternatively, we can confront the fundamental issues I have discussed. We can seek actively to shape events and, in the process, attempt to forge consensus among like-minded peoples. Such a consensus will enable us to deal with the more fundamental tasks I have outlined—the management of Soviet power; the reestablishment of an orderly international economic climate; the economic and political maturation of developing nations to the benefit of their peoples; and the achievement of a reasonable standard of international civility. Acting alone, each of these tasks is beyond even our power; acting together, all are within the capacity of free nations.

I do not mean to belittle the difficulties. They are formidable. But our collective capacity to meet them is also formidable. The challenge of American foreign policy in the 1980s is to marshal that capacity.

America's Challenges for the 1980s

If we are to succeed in this effort, the conduct of American foreign policy must be characterized above all by three qualities.

First, we must act with consistency. Specific issues may furnish the occasion for action, but they cannot constitute the sole basis for policy. Once we accept that the specific issues facing us today are merely surface manifestations of more fundamental problems, it must also be clear that effective policy cannot be created anew daily, informed solely by the immediate need. To do so risks misperception by our adversaries, loss of confidence by our allies, and confusion among our own people. U.S. policy has been most effective—in Europe and the Middle East, for example—where consistent U.S. interests have been consistently pursued.

Second, we must behave reliably. American power and prestige should be lightly committed; but once made, commitment must be honored. Our friends cannot be expected to share in the burdens and risks of collective action if they cannot count on the word of the United States. Our adversaries cannot be expected to exercise prudence if they perceive our resolve to be hostage to exigencies of the moment. Those who posture toward us remains to be determined cannot be expected to decide in favor of friendship if they cannot confidently assess the benefits of associati-

us. To be perceived as unreliable is, therefore, to become virtually irrelevant in influence for stability and peace and leave the international arena to the mercy of those who do not share our commitment to either.

Finally, and in some ways most important, American foreign policy must demonstrate balance, both in our approach to individual issues and in the orchestration of policy generally. By balance, I mean recognizing that complex issues invariably require us to weigh, and somehow reconcile, a variety of pressures, often competing.

- I believe that equitable and verifiable arms control contributes to security. Restraint in the growth and proliferation of armaments will not be achieved by policies which increase the very insecurity that promote arms competition.
- Domestic economic stability will be enhanced by the establishment of short-sighted, economic barriers which undermine the multilateral cooperation essential to the prosperity of all.
- The assurance of basic human rights will not be improved by replacing friendly governments which incompletely satisfy our standards of democracy with hostile ones which are even less so.
- And our commitment to peace will be furthered by abdicating the right to exercise military power to only the most ruthless members of the international community.

Balance must also be struck in the orchestration of policy generally: in our selection of the issues we choose to address; in the priority we accord them; and in our understanding of the relationship of individual issues, one to another, and each to our broad policy objectives. This form of balance has become known as linkage, and the President-elect has publicly affirmed his commitment to it.

No mystical profession of faith is intended here. In a system ever more independent in every sense, issues and policies which attempt to deal with them are linked, whatever our preferences. That does not mean that every nation must be a prisoner of the daily headlines; it does mean that specific relationships cannot be established in isolation from the climate in which they must be maintained.

Establishing a Foreign Policy Consensus

Consistency, reliability, balance. These three attributes are essential, not because they guarantee a successful foreign policy—nothing can do that—but because their absence guarantees an unsuccessful one. Unfortunately, as De Tocqueville pointed out long ago, these are precisely the qualities which a democracy finds most difficult to muster. This inherent difficulty has been complicated in the past decade by the breakdown of foreign policy bipartisanship and by the development of unnecessary division between Congress and the executive branch, and among the executive departments themselves.

Our urgent task is to reestablish an effective foreign policy consensus. To do so, I believe three conditions must be met.

First, the constitutional and traditional responsibility of the President for the conduct of foreign affairs must be reaffirmed. The U.S. Government must speak to other nations with a single voice. To say that is in no sense to argue for curtailing discussion or debate. On the contrary, I believe both are essential. But the authoritative voice must be the President's. The President needs a single individual to serve as the general manager of American diplomacy. President-elect Reagan believes that the Secretary of State should play this role. As Secretary of State, I would function as a member of the President's team but one with clear responsibility for formulating and conducting foreign policy and for explaining it to the Congress, the public, and the world at large. The Assistant to the President for National Security Affairs would fill a staff role for the President.

Second, an effective partnership must be restored with the Congress. By partnership, I do not mean occasional retrospective reporting. I mean active consultation, exchange of ideas and proposals in a timely manner, in an atmosphere of mutual respect, trust, and confidence, recognizing the special role of the Senate. The Congress can hardly be expected to allow the President the discretion he requires unless it is comfortable with the purposes toward which, and limits within which, that discretion will be exercised. The Constitution demands it, and good sense urges it. In turn, Congress must do its part. In a partnership, both sides must behave responsibly.

Finally, the most consistent articulation of policy is wasted if the professionals who must execute it are divorced from

its formulation and if their experience and skill are usurped in the name of confidentiality, haste, or political sensitivity. The career personnel of the State Department and the Foreign Service are an unmatched intellectual resource, and they will be around long after the President and the Secretary of State are gone. If the United States is to act consistently and reliably in the world arena, it must use its career professionals. Their effective participation in policymaking is imperative.

I have outlined what I consider to be the essential challenges, qualities, and requirements of a sound American foreign policy. In closing, let me speak to our resources, which are considerable.

Although we have economic problems, we still possess the largest and strongest economy on Earth. It is within our power to revitalize our productive base, maintain and expand our agricultural strength, regain commercial competitiveness, and reduce our dependency on foreign sources of energy and other raw materials. No American foreign policy can succeed from a base of economic weakness.

Our alliances enable us to draw on the strengths and the wisdom of some of the world's greatest nations. Yet our alliances must be tended and adapted to new problems not visualized by their creators. In the process, we must bear in mind that the essence of any alliance is its core of shared commitment and endeavor. In the 1980s, we should not let ourselves become preoccupied with debates over who is doing more; the challenges we face will require more from all of us.

We possess a full range of the instruments of effective statecraft: a diplomatic corps second to none; economic and military assistance programs; a variety of sophisticated cultural and informational resources; and, of course, military power which no potential adversary can afford to ignore. These instruments provide the United States with unrivaled capacity to influence the course of international events. Their maintenance or neglect will declare American intentions far more clearly than any rhetoric.

But I believe our greatest strength is the strength of our values and political institutions. These have been tested in recent years. But they have survived. As we survey the world, reflect on its problems, and recognize its dangers, we must accept the fact that, like it or not, we are a nation of trustees—trustees for the values of freedom and justice that have inspired mankind for thousands of years.



White House photo by Mary Anne Fackelman

Alexander M. Haig, Jr., takes the oath of office as Secretary of State on January 22, 1981, at the White House while Mrs. Haig holds the Bible. Robert Linder (right), acting director of White House operations and a notary public, administers the oath.

The Secretary of State

Following his election on November 4, 1980, President-elect Ronald Reagan nominated Mr. Haig to be his Secretary of State. He was subsequently confirmed by the Senate and was sworn in as the 59th Secretary of State on January 22, 1981.

Secretary Haig graduated from the U.S. Military Academy in 1947, was commissioned a second lieutenant in the Army, and advanced through a variety of military assignments, including ser-

vice in Japan, Korea, Europe, and Vietnam. He pursued graduate studies in business administration at Columbia University (1954-55) and received a Master's degree in international relations from Georgetown University (1962).

He served in the Pentagon from 1962 to 1965, where his positions included Military Assistant to the Secretary of the Army and Deputy Special Assistant to the Secretary of Defense. He served in Vietnam in 1966 and 1967, receiving the Distinguished Service Cross.

In January 1969, he was assigned as senior military adviser to Dr. Henry Kissinger, then Assistant to the President for National Security Affairs, and 18 months later he became the Deputy Assistant to the President for National Security Affairs. He was promoted to full general in 1972. During his 4 years in the White House ending in 1973, he made 14 trips to Southeast Asia as the personal emissary of the President, including negotiating the Vietnam cease-fire and the return of U.S. prisoners of war. In addition, he coordinated preparations for President Nixon's historic visit to China.

Mr. Haig was serving as Army Vice Chief of Staff when President Nixon appointed him in May 1973 to rebuild the White House staff. Although this was to be a temporary position, the President subsequently named him White House chief of staff, and he retired from the military after 26 years of active service.

He served in the White House until October 1974, when President Ford

recalled him to active duty as Commander in Chief, U.S. European Command. Two months later, Mr. Haig was also appointed Supreme Military Commander in Europe. In that position, he was responsible for the integrated military forces of the 13 member nations of the North Atlantic Treaty Organization (NATO). He resigned his post effective June 30, 1979, and retired from the Army.

Secretary Haig was elected president and chief operating officer of United Technologies and a member of its board of directors on December 21, 1979, where he served until assuming his present position.

He is a life member of the Navy League and the Veterans of Foreign Wars of the United States. Secretary Haig is a recipient of an honorary law degree from Niagara University and honorary doctor of laws degrees from Boston College, St. Anselm's College, the University of Utah, Western State School of Law, and Loyola College, Baltimore.

He was born December 2, 1924, in Philadelphia, attended St. Joseph's Preparatory School there, and graduated from Lower Merion High School Ardmore, Pennsylvania.

Secretary Haig is the recipient of the following honors: Charles Evans Hughes Gold Medal Award of the National Conference of Christians and Jews; Dwight D. Eisenhower Distinguished Service Award and Citation of the Veterans of Foreign Wars of the United States; Hap Arnold Award of the U.S. Air Force Association; James Forrestal Award of the National Security Industrial Association; David Sarnoff Award of the Armed Forces Communications and Electronics Association; William Penn Award of the Penn Club of Philadelphia; Hall of Heroes Gold Medallion of the Chapel of the Four Chaplains; and the Bob Hope Four-Star Civilian Award from Valley Forge Military Academy and Junior College.

Among his many military decorations, Secretary Haig holds the Distinguished Service Cross; the Defense Distinguished Service Medal with Oak Leaf Cluster; the Silver Star with Oak Leaf Cluster; the Distinguished Flying Cross with Oak Leaf Clusters; and the Purple Heart. He has received the highest awards from the Governments of Belgium, the Federal Republic of Germany, France, Italy, Luxembourg, the Netherlands, and Portugal.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Secretary Haig's News Conference January 28

Thank it's the Judaeo-Christian Bible says the universe was created in 7 days and that even provided a day of rest. I tell you, it's been a very humbling experience for me, and I feel very, very human. As you know, this is the end of our first week in this Administration. It's been an extremely busy one. It's involved me in those all-too-short confirmation hearings on the Hill [laughter]; it's involved efforts to put in place a number of key team players down through and including assistant-secretary level. I want you to know I've done that in all but two assistant-secretary billets of about 30 included, to say something or nothing about my personal staff and the Secretariat of the Department of State itself on the fifth floor.

It's been somewhat of an experience to discover firsthand the delays in bureaucratic obstacles associated with the clearance process, but I want you to know that I anticipate that each and every one of my nominees—my nominees will ultimately be approved and hopefully confirmed in consultation with the Congress where appropriate.

It's also been a very busy week in a bureaucratic sense and I think I leave the Secretary's experience again with an even enhanced appreciation for the role of the professional in this Department, because they're the ones that have to carry the burden during periods of transition, our peace pros. They're the ones who have led me this week to establish interdepartmental working groups in every corner of departmental activity and in a number of key and urgent functional areas. I'm very pleased that this has been accomplished, primarily as a result of the staff that was in place, when I came in, of professionals, with the help of an additional number of augmentees that I fought with me from the transition.

It has been a busy week also because, as you know, today we have our official state visitor, Prime Minister Bhaugya from Jamaica. We have meetings scheduled next week with the President of Korea, to be followed by King Juan Carlos of Spain, and, of course, the Prime Minister of Great Britain, Mrs. Thatcher. We'll be meeting Friday with the Cana-

dian Foreign Minister here in the Department, and there are a number of other meetings scheduled with European foreign ministers. The first, of course, is Foreign Minister Francois-Poncet of France.

In addition to that, we found ourselves engrossed immediately and instantaneously with the problem of the return of our hostages, and I'm happy to say in hindsight, reflecting upon the events of this past weekend and this week and yesterday especially, that those events were carried out with what I consider to be the ultimate of appropriateness.

There has been some controversy this week about the so-called "agreements" which brought our hostages back to our shores at long last. I think it's important that those who analyze and assess the pros and cons of these agreements, which were arrived at under the most unprecedented and unusual conditions in our history, be recognized to be perhaps the most complex series of international agreements that I have been exposed to: four agreements, ten Executive orders, all requiring a host and array of regulations to implement.

I'm not an international lawyer, and I'm not even a domestic lawyer—although I've had a great deal of recent experience—and I can tell you that analyzing and assessing the obligations of both sides with respect to these accords, agreements, Executive orders, is going to take a great deal of time and effort by the most experienced of legal minds.

I would anticipate, and I reiterate, that the U.S. Government will fulfill its obligations in accordance with both international law and the accepted norms of domestic legal practice. The process is underway and has been underway within the executive branch by those departments which are particularly expert in reviewing all of these obligations. And ultimately, of course, there will be assessments made with respect to how the other side also adheres to the obligations it has incurred in these accords.

I would like to get out front with respect to one or two issues in these accords. There has been speculation as to whether or not these accords provide for the resumption of the provision of mili-

tary equipment to the Government of Iran, either that equipment previously purchased and contracted for, or perhaps additional equipment. Let me state categorically today, there will be no military equipment provided to the Government of Iran, either under earlier obligations and contractual arrangements or as yet unstated requests. There were no discussions about the provision of armaments by the previous Administration as it completed the accords in those anguishing last hours.

Secondly, as you know, one of the Executive orders signed by President Carter relieved the obligation for the sanctions in trade. We have, in that regard, issued a warning or an advisory, if you will, about the undesirability of travel of American citizens to Iran; and, until further deliberations are made with respect to future commercial arrangements, it's my view that the most careful caution should be applied by American firms, large and small.

Having said all of these things, it's your turn to have at me. I want to conclude by emphasizing that I hope in the period ahead to meet regularly here with this diplomatic press corps. It's a press corps that enjoys the reputation of being the sharpest and the meanest I know, and I welcome that because I think the kind of dialogue we will have here should be both enlightened and specific and pertinent. I welcome your questions.

Q. Can you tell us whether the Reagan Administration is considering taking retaliation against Iran for taking of the hostages and its treatment of them? And, if so, what measures are being considered, such as the reimposition of the trade embargo?

A. First, let me, early on in our dialogue, suggest that experience has taught me that speculation about future actions of that kind—contingency planning—in a public forum is frequently self-defeating because it ends up creating the kind of controversies that deprive one of the ability to do anything in the second place. So I'm going to avoid it.

I would emphasize again that the period ahead is going to clearly demonstrate the nature and character of the Iranian regime's post-hostage return at-

titude, there are additional American hostages in Iran—one with a clear citizenship connotation—and a host of other incurred obligations which make that question a little premature in the context of my answer.

Q. Along that same line, however, but on a more general scale. Yesterday the President, in welcoming the hostages, talked of swift and effective retribution in case of future incidents involving terrorism. Can you supply us with any idea of the guidelines on that retribution? For example, will there be retribution in cases which do not involve another government? In other words, a free-lance terrorist, if you will.

A. I said, I think to somebody last night, that was consciously ambiguous, that statement. Consciously ambiguous in the sense that any terrorist government or terrorist movement that is contemplating such actions I think knows clearly what we are speaking of.

As you parse it out in the context of individuals or separatist movements or independence movements, of course, the problem is substantially different and the restraints and the ability to apply retaliatory action is sometimes not only constrained but uncertain. So I caveat it that way.

Q. Could you give us your criteria for resuming arms control negotiations with the Soviet Union?

A. This is a question upon which there's been a great deal of speculation and some questions to me in my confirmation hearings. I think President Reagan has stated repeatedly that the United States cannot contemplate negotiations or ratifications of arms control agreements exclusive of consideration of the conduct and the activities of the Soviet Union outside the sphere of arms control. That's the shorthand for linkage.

I don't think it would be appropriate for me today, in the context of future strategic arms limitations talks, to clarify further precisely how that principle will be applied. But clearly, that principle will be applied.

Q. Perhaps in relation to that, could you give us your judgment of developments within the past week or so in Poland—whether Soviet forces remain in the state of readiness that were described a month ago by the Carter Administration—and what your sense is at this point of the immediate future and Soviet action perhaps?

A. First let me clarify one prospect of your premised question. I think, following those early days in December when the state of readiness was somewhat heightened, there has been somewhat of a decline. That is not to suggest that Soviet forces and other Eastern European forces are not postured in such a way that they could react very, very quickly in Poland.

As you know, in early December, the North Atlantic Council of the NATO alliance suggested in very clear language that any Soviet intervention in Poland would have the gravest consequence in the context of ongoing East-West relations and that those consequences would be longstanding in time. I know of nothing today that would cause this Administration or this State Department to depart from the strong affirmation of that view.

Q. On Poland. I understand that the Polish Government has indicated, at some level at least informally, that they do still wish to request a massive aid program from the United States. What is your inclination in terms of economic assistance?

A. As you know, substantial assistance has already been provided in terms of loans for foodstuffs. I think it's important that we all recognize that the provision of either credits or cash or economic assistance to Poland today is not the answer to the problem.

We find a situation in which just debt servicing alone consumes half of the available assets. The problem involves internal reform within the Polish State, and it is up to the Polish Government and Polish authorities to work this out. That notwithstanding, we continue to feel a very important and sensitive sympathy for the people of Poland and their current plight, and we are considering what further steps could be taken.

Q. There has been a number of press reports this week about steps, or alleged steps, that you've taken to assert your predominance over the foreign policy bureaucracy. Could you—

A. I was discussing that just the other day as the President was taking his first shower in the White House. [Laughter]

Q. Could you give us your concept or what the agreed concept is, between yourself and the President of how the National Security Council [NSC] will operate vis-a-vis the State Department so there is some clear sense of over what it is you are asserting predominance?

A. I noticed there has been a number of dope stories along the airways on this subject. Let me assure you, most of those I have read, including the most recent, are totally without basis in fact. Early on I brought some drafts which I had discussed and coordinated with Richard Allen to Mr. Meese [Richard V. Allen, Assistant to the President for National Security Affairs; Edwin Meese, III, Counselor to the President], with Mr. Allen, with a view toward starting out with a straw man. This is not an experience I haven't been through before, and we have been in the process of coordinating this draft with the Secretary of Defense, who has a very keen interest, of course, and I would anticipate very shortly those drafts will be published in the form of Presidential directives which will implement a framework, if you will, in general for the conduct of national security policymaking plus day-to-day operational matters.

In that context, when I accepted this position, I was assured by President Reagan personally that I will be his chief administrator, if you will, and I use the term "vicar"—and those of you who want to go back to the 1948 through 1951 Jackson subcommittee hearings on this subject will discover what that term "vicar" meant—for the formulation, the conduct, and the articulation of American foreign policy.

I intend that the President's mandate to me be carried out, and I am confident that it will be.

Q. Let me just follow that up. How do you perceive the NSC, then, operating? As primarily resolving disputes between this building and the Pentagon?

A. I perceive that the inter-departmental mechanisms will prepare for the National Security Council, as constituted by the act and the amendments of 1949 and whatever changes President Reagan may care to apply to that composition, to present options for decisions by the President within the forum of the National Security Council.

Q. I wonder what your plans are opening up contact, not only with Soviet Union but with the key countries in the Middle East. Do you have travel plans to go either to Moscow to Israel or Egypt or to Saudi Arabia?

A. I think it's a little too soon for me in respect to East-West, the U.S.-Soviet, to predict when there will be further meetings by myself or, more importantly, by President Reagan. There are a number of issues extant on the horizon today which I think need clarification and a constructive high-level dialogue could be justified.

On the other hand, having said that, it is essential that we maintain day-to-day and hourly communications with the Soviet Union. We're doing that through regularly established diplomatic channels, and I intend to continue to exercise it. I've already on several key issues.

With respect to the Middle East in general, I have no finite plans for my own travel there, but I do anticipate—as you know, we have a spring round in Europe; we have a number of watch pots, not the kind of which was already touched upon in Poland, which could justify earlier travel.

I look forward to visiting this hemisphere, Africa, the Middle East, and, of course, Asia and Europe as well.

Q. A few moments ago you talked about the President's statement yesterday at the White House, being framed conspicuously ambiguous, and then you went on to talk—

A. No. Consciously.

Q. Consciously ambiguous.

A. It was conspicuously appropriate. [laughter]

Q. And you went on to say, so that, the words you used "terrorist organizations or terrorist governments would not heed." The phrase "terrorist governments" I don't think has any precedent, does it? And my question is, has there been discussion in the State Department and the top level of the Administration of being able to brand governments like Iran terrorist governments with both diplomatic and economic consequences that would flow from that branding?

A. Of course, there have been such discussions, and they go on right now.

Q. Could you amplify it?

A. I think that is the criteria for a government that sponsors or undertakes or participates in terrorist activities. That is a nice handle to put on it—a terrorist government. And, as you know, there are public laws today passed by the Congress which prohibit the provision of armaments to terrorist governments.

So this is not a new term in Washington, and I think it's been applied sometimes in a very generous way and sometimes perhaps a less than generous way.

Q. In terms of your reference earlier to your policy toward the shipment of arms to Iran, my recollection is that the earlier Administration had taken the position that that which was in the pipeline, that which Iran had bought and paid for before the seizure of the hostages, would be considered part of the frozen assets; and, therefore, would be released.

Now you seem to be deliberately changing that policy. Do I understand that correctly? How much do you understand is involved?

A. The figures are not really quite clear, if you're talking FMS [foreign military sales] cases, and we're trying to dig that out, and it's taking some work. But it does not mean that the arms themselves have to be provided. If, in the ultimate conclusion of this thing, we feel the obligations incurred should be fulfilled, they will be fulfilled in my book by selling those arms and providing the cash to Iran. Selling them elsewhere. Some of them have already been sold, incidentally.

Q. The Carter Administration had the policy of abiding by the conditions and terms of SALT II even though it was not ratified and said—and he said he hoped and expected the Soviet Union would do the same thing. Is that the policy of the Reagan Administration as well?

A. We are in the process of reviewing this obligation which President Carter assumed in the context of our new responsibilities and ongoing Soviet activities around the globe. We would certainly hope that, in the period between now and the time a decision is made or a policy is adopted—and this involves not only Soviet conduct worldwide, it involves the national security interests of the American people as we look at SALT II and SALT I and the potential future defense needs of this country. But I

would hope that in the meantime, the Soviets would do nothing to exacerbate the kind of mutual restraint both sides should pursue.

Q. Including SALT II?

A. The Soviets, I leave that up to the Soviets to talk to, and they have recently, as I think you know.

Q. As you know, there has been talk this week about the Middle East policy. First of all, how much can you tell us about that? How do you reconcile the State Department's definition of the PLO [Palestine Liberation Organization] with President Reagan's definition? Do you expect to see the time when the Reagan Administration might talk to the PLO, and do you expect the Reagan Administration to ever recognize Jerusalem as the capital of Israel?

A. Let me take that mind-bogglingly extensive sermon, which it would take, and compress it into several responses. First, President Reagan has stated—every American President since 1975 has stated—that we will neither recognize nor negotiate with the PLO for so long as they refuse to recognize the right of the State of Israel to exist, for so long as they refuse to accept the provisions of 242 and the other U.N. resolution. And having said that, I think that's a sufficient answer for a large portion of it.

With respect to Jerusalem as an entity, for 30 years, I think, the United States has felt that this is a matter that has international implications, and it should be a city that is not divided by barbed wire or imposed unilateral restraints. We don't welcome unilateral action that would make this kind of an international consensus impossible. It is the seat, after all, of three of our world's greatest religions—Islam, Christianity, and Judaism—and we would hope that ultimately, those hopes that we have had for Jerusalem will be realized with patient participation by all the parties involved.

Q. On Afghanistan, [French President] Giscard d'Estaing has suggested a conference to discuss nonintervention in Afghanistan as opposed to the status of Afghanistan. Do you regard this as a promising approach?

My second question concerns the grain embargo. Mr. Block [John R. Block, Secretary of Agriculture] today said he urged and desired it be lifted immediately. I wonder what your views are on that.

A. First, with respect to yesterday's initiative by President Giscard, of course, we welcome any proposal that would bear fruit and result in the withdrawal of Soviet forces in Afghanistan. We were informed of the French initiative before the fact. We have gone back with a number of questions seeking broadening and enlightening information about how this would be handled, especially in the context of other initiatives that are under way under the auspices of the United Nations. But in general, this is the kind of thing that we do welcome, and we would hope that it could proceed as a unifying, allied effort, and would also, as President Giscard suggested, include the views of the Islamic countries, who have taken some initiatives in this area.

Your second question was—

Q. —concerning the grain embargo.

A. The grain embargo. That was Freudian—I didn't want to answer. We have an interdepartmental review under way on this subject, the results of which have not been arrived at. In general, I would hope that in the future, we would not adopt sanctions against the Soviet Union or anyone else that would selectively punish one segment of the American domestic economy. But we are there today, and it's not so simple as it might sound if you are a representative of our agricultural sector.

Q. Would you please give us your comment on the meeting between President Reagan and President Chun Doo Hwan of South Korea, and also give us your general policy toward North Korea. I understand that the U.S. Government proposed three-way talks with North Korea in 1979.

A. I have not proposed any talks. I do not anticipate any until there has been a thorough review of the desirability of such talks, and they will be conducted against a backdrop of North Korean performance, conduct, and demeanor with respect to the desirability of and the hope for progress.

As you know, the Korean President will be visiting Washington next week. He has already, I believe, arrived on the West Coast. Someone suggested, "Was this a deal for Mr. Kim?" [Mr. Kim Da Jung, political opposition leader] There were no deals—no deals—despite again some press speculation to the contrary. But we are very pleased to have the Korean President visit the United States as one of our first official visitors. It is not a state visit, but it is an official visit.

Q. What is the significance of the meeting?

A. I think it is vitally important. For the period since the end of World War II, with the enhanced rejuvenation in the early 1950s, Korea has been a friend, partner, and intimate participant in Western security relationships. Because of some static in a recent period, it's important that we clarify the air. I would not want anyone to suggest, as some have, that this is politically motivated because of upcoming elections in South Korea. Not at all. The American tie, if you will, is not an issue in these elections.

Q. Traditionally, it has been considered that you, North America, and the Soviet Union keep their own areas of influence all over the world. How can this be understood now that the Soviet Union has extended its presence to Latin America and Afghanistan? What element would North America consider to maintain the strategic interests of your country in Latin America?

A. I'm glad I asked you. I don't think my own past expressions on this subject need too much clarification before this group. I think it's clear that we have been witnessing an unprecedented—at least in character and scope—risk-taking move on the part of the Soviet Union, not just in this hemisphere but in Africa as well. We have seen in that process the exploitation of the Cuban proxy, and I can assure you that this is the subject of utmost concern to this Administration, it is a subject which will be high on the priority of our national security and foreign policy agenda.

I would suggest also that an additional subject related intimately to this, in the conduct of Soviet activity and in terms of training, funding, and equipping, is international terrorism. International terrorism will take the place of human rights, our concern, because it is the ultimate of abuse of human rights. And it's time that it be addressed with greater clarity and greater effectiveness by Western nations and the United States as well.

Q. May I follow that up? In that context, we have just had the Libyans move into Chad, and now apparently beyond doubt, Cuban activity in El Salvador. What does your Administration intend to do about either of those?

A. We're looking very, very carefully at the recent Libyan incursion into Chad and the implications of that incursion, not

only to Chad and the people of Chad, but to the surrounding states as well. We view it as a grave turn of events. I'll leave it there.

Q. Can I follow that up? Did you mean to say that you were not interested in human rights *per se* in non-Communist areas? I'm not sure what you meant by terrorism by Communist countries should replace concern about human rights.

A. I'm talking about in functional, priority areas. It's been my view that human rights is an essential and fundamental aspect of American foreign policy and domestic policy, and as such, when you remove it from the main stream of fundamental policymaking and give it an extraordinary role in organizational terms, you frequently result in distortions that probably put in jeopardy the well-meaning objective you seek to achieve. So I would like to see some organizational change in the period ahead, no deemphasis, a change in priorities.

The greatest problem to me in the human rights area today is the area of rampant international terrorism—on both sides of the Iron Curtain. And as one looks at the menu of those who have been most disturbed by it, it's surprising that the Soviet Union itself has been victimized by it. But be that as it may, they today are involved in conscious policies, in programs, if you will, which foster, support, and expand this activity, which is hemorrhaging in many respects throughout the world today.

Q. Can I just follow my own question? Does that mean organizationally you will be trying to drop the kind of human rights input that went into foreign military sales?

A. I would anticipate that each and every regional policy director in this Department will have human rights high on his agenda in his across-the-board assimilation and assessment of what is in the vital interests of the American people and this country.

Q. This country has just gone through a great celebration of the return of the hostages from Iran. I really have two questions about it: First, do you yourself have any lessons which you have drawn from this 14-month-long ordeal of this government and people? And secondly, is it a proper inference, as some have drawn, that the swift and effective retribution would necessarily mean some downgrading for the concern of the personal safety

those who may be involved in some future hostage-taking episode?

A. No, not at all, to answer the last part of your question first. Not at all—precisely the opposite. And I would suggest that you talk to the hostages about this, some of our former prisoners of war who have been, let's say, caught up in this episode.

With respect to my own observations, I've been here a week. I, of course, as a private citizen in the private sector, and anguished as I think all of us did with this situation. I would have some immediate observations of a general nature, but I prefer to hold up on those. We've got a number of people worried about the issue. There is some congressional interest in it. We're going to participate with them to the degree they wish to explore it. But I prefer to defer on that at this time.

Q. In view of your decision yesterday to recall Ambassador White from El Salvador, can you tell us whether or not you made a decision that he is to be retained? And secondly, also in view of your commitment to human rights, whether or not you will be considering abandoning aid to El Salvador?

A. You mean the aid that was recently just modified by the Carter Administration?

Q. Yes.

A. No, I don't anticipate any termination in the aid to El Salvador based on the recommendations of our Ambassador and our own assessment of the reforms that have been under way by the government there. As a matter of fact, it may go just the other way.

I have asked Ambassador White to check for consultation—and I don't make a habit of consulting with preconceived conclusions.

Q. When and how do you intend to proceed with peace talks between Israel and Egypt, and does the Administration intend to invite to the United States President Sadat and Prime Minister Begin, and when?

A. I don't think I would want to inject any sense of urgency in our view of this matter. We have and continue to support the Camp David accords and the peace process that was launched under those accords, and we will continue to abide by that in consultation with the parties, not only the signatories but those with a direct interest in the outcome. And I think that's enough for now. We're in

the process of reviewing the situation. In that process, we perhaps will come up with a timetable that makes some sense, but I need to have some discussions with the parties concerned first.

Q. Returning to Latin America for a moment, the Carter Administration was talking to the Cubans pursuing an idea whereby the Cubans would take some of the criminal and mentally ill people who came over on the boatlift back in return for our agreement to accept 100,000 people over the next 3 years. Senator Childs has sent you a letter opposing that. Could you comment on that concept, on what you think our relations with Cuba ought to be and what we should talk to them about on this issue?

A. I would not like to break any new ground on that subject today other than to remind you that the previous Administration undertook some efforts to get agreement with the Cuban Government on this subject of the return of ill and other kinds of refugees who came here. Those talks collapsed; they were a total failure due to the lack of cooperation of the Cuban Government, and that's just another issue that is going to be put into the calculator which will ultimately lead to a reassessment of our policies toward Cuba.

Q. Could you comment on that concept, on taking noncriminal and nonmentally ill people in exchange for their taking back people who are—

A. This is an extremely delicate subject, as you know, with strong views held on both sides of that issue by well-meaning people. And this is the kind of an issue that before I break new ground on it or express my views, I'd like to consult with the appropriate committees of the Senate and the House and to be sure I am espousing the views of the new Administration and President Reagan, and that's not so today.

Q. How do you anticipate that the severe spending constraints on this Administration will play out on the foreign policy, and particularly the foreign aid area?

A. I'm very concerned about it; I'm concerned about it from two points of view. First, I'm concerned about the economic situation that has brought the necessity for even greater austerity upon us. And I leave that to other members of the Administration and the President

himself to address, and I know he will; but we are in a serious situation requiring austerity.

Secondly, I've been concerned—and we are in the process now of consulting with Mr. Stockman in OMB [David Alan Stockman, Director of the Office of Management and Budget] on this subject, and I'm talking about A.I.D. [Agency for International Development], our own security assistance, and I hope that we are going to be able to get a recognition that both foreign assistance and foreign security assistance is sometimes a very cost-effective vehicle for insuring that the ideals and interests of this country are carried out effectively abroad.

Q. As a strategist and a politician, how do you see the defense cooperation between the United States and Europe, especially from the viewpoint of burdensharing in the light of the increasing threats in today's world?

A. Again, I have a long litany of comments on this over 5 years, and I don't like to depart from it, and that is that I would like to see all of us do more. But I would also like to see an enlightened appreciation here in the United States and among our own people for the great contribution that our effective participation in the alliance brings to our security.

I think it was Jim Schlesinger some years ago who had a study done that suggested that if we did not have the NATO alliance and the security assets it brings to the American people, we would have to double the gross allocation of our national product for defense to provide a comparable security capability. I don't know whether that's correct or wrong. I suspect it is a very modest assessment.

I have also suggested that if you go back to 1970 to date, cutting out last year's increases, largely legislatively mandated by the American Congress, European contributions in the gross have been going up about 22% since 1970; American contributions for defense in NATO have gone down by about 13%. The point of departure in 1970 was very bad. The United States was carrying far more of the overall share, but that was a legacy of the birth of the alliance itself. I think sometimes we get too impatient and get bludgeoning people who are doing the best they can in very austere economic circumstances, too. What we have to find is a way for everyone to do more; and I include Japan in that.

Press release 25. ■



- September 18–October 15**
Deputy Director of Space Science and Technology division of the Chinese Academy of Sciences Ji Bo leads a delegation to the U.S. Delegation meets with NASA officials in Washington to discuss future institutional arrangements for the NDSAT ground receiving station. The trip also tours NASA's Goddard Space Flight Center in the Washington area, the L.B.J. Space Center in Houston, and the Jet Propulsion Laboratory in Los Angeles.
- September 20–October 28**
Vice Minister of Metallurgical Industry Wang Fan leads a delegation to the U.S. on the invitation of Reynolds International Inc.; group tours Reynolds plants located throughout the U.S.
- September 22–October 6**
Governor Cliff Finch (Mississippi) leads a forestry delegation to China.
- September 30**
Xinhua News Agency reports that the U.S. and China have decided to postpone unblocking of Chinese assets to January 31, 1980.
- October 1**
First installment of \$30 million is paid to U.S. by China under U.S.-China "claims-assets" agreement.
- October 8–November 9**
President of the China International Trust and Investment Corporation (CITIC) Rong Yiren visits U.S. to encourage U.S. equity investment in China.
- October 10**
Mayor Jim Conway (St. Louis) announces establishment of sister city ties with Nanjing.
- October 15–27**
National Committee for U.S.-China Relations sponsors a gubernatorial delegation to China; George Ariyoshi (Hawaii), Thomas Judge (Montana), Richard Lamm (Colorado), William Milliken (Michigan), Albert Quie (Minnesota), Robert Ray (Iowa), and Richard Snelling (Vermont) participate.
- October 16**
Gubernatorial delegation meets with Vice Minister of Foreign Affairs Han Nianlong, Vice Minister of Agriculture He Kang, and President of the China Council for the Promotion of International Trade Wang Yaoting.
- October 17**
U.S. District Judge Oliver Gasch rules that termination of the U.S.-Taiwan Mutual Defense Treaty requires the approval of either two-thirds of the Senate or a majority of both Houses of Congress.
- Gubernatorial delegation meets with Vice Premier Deng; they discuss the Kampuchean refugee problem and China's economic modernization.
- October 20–30**
Governor Tom McCall (Oregon) leads an Oregon State trade delegation to China.
- October 22–November 1**
Minister of Foreign Trade Li Qiang visits U.S. to discuss the U.S.-China trade agreement and textile quotas. Minister Li holds meetings with Secretary of Commerce Kreps, Secretary of the Treasury William Miller, Secretary of Agriculture Robert Bergland, Export-Import Bank President John Moore, and leaders of the House and Senate.
- October 23**
President Carter sends the U.S.-China trade agreement to Congress and signs a proclamation establishing China's qualification for MFN treatment under the Jackson-Vanik amendment to the Trade Act of 1974.
- October 31**
U.S. announces expansion of the May 31 quotas to cover a total of seven categories of Chinese textile imports.
- November 1–5**
Governor James Hunt (North Carolina) leads tobacco delegation to China.
- November 1–6**
Mayor Jim Conway (St. Louis) leads delegation to China.
- November 2**
Sister city relations formally established between St. Louis and Nanjing.
- November 5–December 7**
Vice Minister Yuan Baohua leads State Economic Commission delegation to the U.S.
- November 6**
Vice Minister Yuan meets with Treasury Secretary Miller, Joint Economic Committee members, and Department of Transportation officials.
- November 7**
Vice Minister Yuan meets with Commerce Department officials and members of the Council of Economic Advisers.
- November 8**
Vice Minister Yuan meets with Deputy Under Secretary of Energy Robert Hanfling.
- November 8–16**
Assistant Secretary of State for Consular Affairs Barbara Watson visits China; inspects U.S. consular operations in Guangzhou and Beijing and discusses progress on negotiations for a bilateral consular convention.
- November 14**
Governor James Rhodes (Ohio) and Governor Han Ningfu (Hubei Province) establish sister state relations in Hubei.
- November 15**
Testimony before the Senate Finance Committee provokes disagreement among Senators over the granting of MFN status to China.
- November 19–December 19**
Director of the Ministry of Geology's Marine Division Tian Shao leads delegation of marine geologists to U.S.; group tours USGS facilities and visits east and west coast universities.
- November 20**
Ceremonies mark the formal opening of the Consulate General of the P.R.C. at Houston.
- November 21–December 3**
Chief Economist of the Department of Commerce Courtenay Slater leads U.S. statistical delegation to China.
- November 26–December 9**
Vice Minister of Textile Industry Hao Jianxiu and All China Youth Federation President Hu Qili lead delegation to U.S.; group meets with Assistant Secretary of State Richard Holbrooke, Congressman Al Ullman, and National Security Council staff member Michel Oksenberg in Washington, and with U.S. Ambassador to the U.N. Donald F. McHenry in New York.

November 26-28

U.S. statistical delegation holds talks with the Chinese State Statistical Bureau (SSB) on bilateral statistical cooperation and Chinese statistical methodology.

November 28-

December 5

National Committee for U.S.-China Relations sponsors city planners' delegation to China; meets with a broad range of municipal officials in Beijing, Guangzhou, Nanjing, Shanghai, and Suzhou.

November 29-

December 17

U.S. National Oceanic and Atmospheric Administration marine sedimentation delegation visits China; tours Chinese State Bureau of Oceanography Institutions.

November 29-

December 30

Vice Minister of the Fourth Ministry of Machine Building Li Rui heads telecommunications delegation to U.S. at the invitation of Honeywell Information Systems.

November 30

U.S. Court of Appeals overturns the District Court decision of October 17 and rules that President Carter is constitutionally empowered to give notice of termination under the U.S.-Taiwan Mutual Defense Treaty without congressional action.

December 13

Ceremonies mark the formal opening of the Consulate General of the P.R.C. at San Francisco.

December 14

U.S. Supreme Court upholds the November 30 decision of the Court of Appeals on the U.S.-Taiwan Mutual Defense Treaty.

December 29-

January 1

Chinese Academy of Medical Sciences President Huang Jiasi leads delegation to U.S.; group visits the California Academy of Sciences in San Francisco, the University of California at Berkeley, Stanford University, and Hewlett-Packard Company.

December 31

U.S. Mutual Defense Treaty with Taiwan expires.

1980

January 2

U.S. announces new arms sales to Taiwan. Chinese Government immediately protests, arguing that such sales and deliveries are contrary to the joint communique on Sino-American normalization.

January 5-13

Defense Secretary Harold Brown visits China; meets with Premier Hua, Vice Premier Deng, Minister of Foreign Affairs Huang, Vice Premier Geng Biao, and Minister of Defense Xu Xiangqian. Secretary Brown affirms that "increased cooperation between China and the U.S. is a needed element in the maintenance of global tranquility." Secretary Brown's visit results in liberalization of controls on exports of U.S. high technology items, authorization on a case-by-case basis for sales of nonlethal military support equipment to China, and plans for regular consultations between the U.S. and China on Southwest Asian developments and other broad international issues (institutionalized in spring 1980 so as to take place several times yearly).

January 16-19

Representative Lester Wolff (New York), Chairman of the House Subcommittee on Asian-Pacific Affairs, leads congressional delegation to China; meets with Vice Premier Ji Pengfei.

January 17-23

Senator David Boren (Oklahoma) leads delegation of the Senate Agriculture Committee to China; meets with agriculture and trade officials to discuss trade possibilities.

January 19-

February 2

Deputy Assistant Secretary of State for Consular Affairs Hume Horan and Deputy Director of the Consular Affairs Division of the Ministry of Foreign Affairs Nie Gongcheng cochair negotiations on the U.S.-China consular convention in Beijing.

January 20-24

U.S. delegation, led by the President's science adviser Frank Press, travels to China to attend first meeting of the Sino-U.S. Joint Commission on Cooperation in Science and Technology (Jan. 22-24); meeting is cochaired by Press and Vice Premier Fang Yi. Press signs an accord providing for the establishment of a LANDSAT satellite ground-receiving sta-

tion in China, as well as protocols for cooperation in earth sciences and earthquake studies, and concludes a memorandum of understanding for cooperation between the National Science Foundation and the Chinese Academy of Science. Both sides judge the meeting a "complete success."

January 24

U.S. Department of Defense formally announces that U.S. will consider issuing licenses for export to China of military support equipment (but not weapons) selected from the Munitions Control List.

U.S.-China trade agreement, granting MFN tariff status to China, passes by a 294 to 88 vote in the House and by 74 to in the Senate.

January 31

U.S. Treasury Department releases Chinese assets frozen since the Korean war (worth an estimated \$80.5 million).

February 1

U.S.-China trade agreement takes effect provides for MFN treatment for China; the establishment of business and trade offices; reciprocal and equivalent protection of patents, trademarks and copyrights; and consultations on bilateral trade problems.

February 2-6

Environmental Protection Agency (EPA) Administrator Douglas Costel leads delegation to China; meets with Director of China's Office of Environmental Protection Li Chaobo to discuss cooperation in the field of environmental protection.

February 4-9

U.S. Chamber of Commerce President Richard Leshner leads delegation to China; meets with Vice Premier Kang Shien.

February 5

Sister city relations established between San Francisco and Shanghai.

EPA and the Office of the Environmental Protection Leading Group of the State Council of China sign protocol for cooperation in the field of environmental protection.

February 8-

March 24

Deputy Director of the China Research Institute of Aeronautics Liu Zhenghui leads delegation to U.S.; group tours

General Electric in Cincinnati, Honeywell Corporation in Fort Washington, and SA's Lewis Research center in Cleveland.

**January 23-
March 4**

Mayor Edward Koch (New York City) leads delegation to China.

February 28

Friendship city relations established between New York and Beijing.

February 29

Delegation of officials from four U.S. Government hydroelectric power administrations and representatives from the Agency for International Development (AID) arrive in Beijing to attend the first official meeting on cooperation in hydroelectric power and related water resource management between the U.S. and China.

March 13-23

The Minister of Foreign Affairs Zhang Qizhong visits U.S. for consultations; talks initiate a dialogue on foreign policy matters at the senior foreign ministry level. In Washington, Zhang consults with Secretary of State Vance, Deputy Secretary of State Warren Christopher, Assistant Secretary for East Asian and Pacific Affairs Richard Holbrooke, and other senior officials on the Afghanistan issue and other matters of international concern. The Minister Zhang also meets with U.S. Trade Representative Reubin Askew.

March 18

The Minister Zhang calls on National Security Adviser Zbigniew Brzezinski in Washington.

March 19

The Minister Zhang meets with Vice President Mondale to discuss U.S.-China relations and international issues.

March 24

U.S. Department of Labor delegation meets with Director of China's State Labor Bureau Kang Yonghe.

March 25

Department of State issues Munitions Control Letter No. 81 specifying the categories of military support equipment eligible for sale to China.

March 31-

April 3

Assistant Secretary of Commerce for Maritime Affairs Samuel Nemirow and

Director of the Foreign Affairs Bureau of the Ministry of Communications Dong Huamin cochair second round of the U.S.-China maritime negotiations in Beijing. Substantial progress is made, but final agreement is not achieved.

April 2

President Carter signs a determination authorizing Export-Import Bank financing of exports to China.

April 2-

May 12

Vice Minister Mao Lin, Managing Director of Jiangxi Copper Company, leads a company delegation to U.S.; group meets with officers of Fluor Mining and Metals, Inc. to review progress of phase I of the Dexing copper project.

April 4-12

Representative Jonathan Bingham (New York) leads delegation of the International Economic Policy and Trade Subcommittee of the House Foreign Affairs Committee to China.

April 4-25

Governor of Hubei Province Han Ningfu leads economic study group to Ohio at the invitation of Governor James Rhodes.

April 10

Representative Bingham and his delegation meet with Vice Premier Gu Mu.

April 11

Representative Bingham and his delegation meet with Director of the General Bureau of Taxation Liu Zhicheng and Foreign Investment Commission Vice Chairman Wang Daohan on the issues of taxation and joint ventures.

April 15-21

Deputy Assistant Secretary of State for Transportation and Telecommunications Affairs Boyd Hight and Deputy Director of the International Affairs division of the Civil Aviation Administration of China (CAAC) Li Shufan lead the first round of civil aviation negotiations in Beijing; U.S. and Chinese teams begin discussion with fundamentally different positions.

April 17

Chinese Academy of Sciences delegation leaves Beijing for the annual meeting of the U.S. National Academy of Sciences in Washington; discussions are to be held on academic exchanges and cooperation programs.

April 20-

May 3

U.S. National Telecommunications and Information Administration (NTIA) delegation, led by Director Henry Geller, visits China; meets with Ministry of Posts and Telecommunications officials.

April 24-

May 18

Minister of Forestry Luo Yuchuan visits U.S.

April 25

U.S. Department of Commerce establishes a new category (category "P") for China under the U.S. commodity control export regulations.

April 28

U.S. Consulate General is officially inaugurated at Shanghai.

April 28-

May 14

Chief U.S. Textile Negotiator H. Reiter Webb and General Manager of China National Textiles Import-Export Corporation Wang Mingjun lead U.S.-China textile negotiations in Beijing; negotiations conclude without agreement.

April 28-

May 28

Bank of China President Li Baohua leads delegation to U.S.; group meets with Chairman of the Federal Reserve Board Paul Volker and Treasury Secretary Miller in Washington; tours New York, Houston, and San Francisco.

May 5-

June 18

Deputy Chief of Staff of the People's Liberation Army (PLA) Liu Huaqing leads delegation to U.S. at the invitation of Secretary of Defense Brown; group discusses technology transfers with Department of Defense officials, tours IBM, AM General, General Motors, and Honeywell and visits several military installations, including NORAD.

May 10-

June 30

Deputy Assistant Secretary of State for Transportation and Telecommunications Affairs Hight and Deputy Director of the International Affairs division of the Civil Aviation Administration of China (CAAC) Li Shufan lead the second round of civil aviation negotiations in Washington.

May 14-15

Secretary of the Interior Cecil Andrus and Secretary of Agriculture Bergland meet with Minister of Forestry Luo Yuchuan and his delegation.

May 22-

June 22

Vice Minister of Water Conservancy Li Huayi leads delegation to U.S., returning Secretary Brown's January visit; group meets with Department of Agriculture officials in Washington; tours water conservatories, flood control facilities, and soil erosion and irrigation projects around U.S.

May 24-

June 8

Vice Premier Geng Biao and a high level entourage from the PLA visit U.S. Visit is marked by talks with President Carter, Vice President Mondale, Secretary of State Edmund S. Muskie, National Security Adviser Brzezinski, and Secretary of Defense Brown; tours U.S. military installations.

June 4-16

Governor Brendan Byrne (New Jersey) leads delegation to China to explore sister-state relations with Zhejiang Province and to enhance cultural and educational exchanges between the two regions' universities.

June 4-19

Governor Harry Hughes (Maryland) leads delegation to China; meets with Vice Premier Wan Li, Anhui Province Governor Zhang Jingfu, and other Anhui Province officials. Governor Hughes and Governor Zhang agree to establish sister-state relations.

June 4-20

Minister of Education Jiang Nanxiang visits universities and meets with Secretary of Education Shirley Hufstедler and senior American education officials.

June 5-26

Minister of Public Health Qian Xinzhong and his delegation visit U.S.; tour several U.S. medical schools, meet with health professionals, and study emergency procedures and primary health care.

June 6-

July 6

Chairman and President of the Bank of China Bu Ming leads delegation to U.S.; group visits the International Monetary Fund, the Export-Import Bank, and the World Bank in Washington, and several banks in New York.

June 10-

July 3

Vice Minister of Light Industry Han Peixin leads delegation to U.S. at the invitation of Bobbin Publications; group discusses trade and joint venture possibilities with several U.S. companies.

June 12

Senator Richard Stone (Florida) announces that the Department of State has approved sales presentations for the FX fighter aircraft to Taiwan. Chinese Government subsequently protests the decision.

June 14

In response to press reports that U.S. Presidential candidate Ronald Reagan favored restoring official relations with Taiwan, an authoritative People's Daily press commentary condemns the restoration of such ties.

June 15

NASA delegation, led by Deputy Administrator Alan Lovelace, arrives in Beijing; meets with Vice Premier Bo Yibo.

June 15-23

Chairman of the Federal Reserve Board Volker leads delegation to China to study the structure and functions of China's financial system, economic planning, and external financial relations.

June 16

Minister Qian meets with Secretary of Health and Human Services Patricia Harris in Washington.

June 17

Minister Qian meets with National Institutes of Health Director Donald Fredrickson in Washington and tours NIH clinical center.

June 19

Minister Qian meets with Presidential science adviser Press in Washington.

June 23-

July 2

Executive Secretary of the Department of State Peter Tarnoff and Assistant Secretary of State for International Narcotics Matters Mathea Falco visit China.

June 25

Assistant Secretary Falco meets with Vice Director of the Ministry of Public Security Xie Heng to discuss drug abuse problems and with Vice Minister of Public Health Wu Zhaocheng to discuss narcotics matters.

Vice Minister of Foreign Affairs Zhang Wenjin hosts dinner for Assistant Secretary Falco and Executive Secretary Tarnoff.

Executive Secretary Tarnoff speaks with Director of the Political Department of the Ministry of Foreign Affairs Lin Zhong and other Foreign Ministry officials about the organization, personnel structure, and training of the U.S. Foreign Service.

June 30-

July 3

Assistant Secretary for East Asian and Pacific Affairs Holbrooke holds series of consultations in Beijing with Vice Minister Zhang Wenjin and other key Chinese officials.

July 3-19

Senior Vice Minister of Culture, Liu Fuzhi, leads delegation to U.S. at the invitation of the International Communication Agency; delegation visits several cities and small towns for broad overview of American society and culture.

July 5-

Aug. 5

Minister of Agriculture Huo Shilian visits U.S.; meets with Secretary of Agriculture Bergland.

July 6-14

Senate Majority leader Robert Byrd (West Virginia) visits China at the invitation of the Standing Committee of the NPC; meets with Vice Chairman of the Standing Committee Ulanhu, Premier Hua, and Vice Premier Zhao Ziyang.

July 9

President Carter and Premier Hua meet in Tokyo while there for the memorial services for the late Japanese Prime Minister Ohira. Talks center on global issues of mutual concern and on Indochina.

July 12-

Aug. 11

Vice Minister of China's State Construction Committee Lu Kebai leads a delegation to U.S.; group meets with Commerce Department and Housing and Urban Development Department officials and makes a general survey of urban planning and high rise construction in U.S.

July 17

U.S. Department of Commerce approves and implements new, liberalized export control guidelines for China.

August 12-21

Representative Stephen J. Solarz (New York) leads delegation of the Asian and Pacific Affairs Subcommittee of the House Foreign Affairs Committee to China.

August 20

Representative Solarz meets with Vice Foreign Minister Zhang Wenjin in Beijing to discuss Chinese views on North Vietnam and Kampuchean matters.

August 31

Vice Foreign Minister of Foreign Affairs He Ying meets in Washington with Under Secretary of State David Newsom, Assistant Secretary of State for International Organizations Richard McCall, Assistant Secretary of State for African Affairs Richard Moose, and other senior U.S. officials for consultations on multilateral and regional diplomatic issues.

House and Senate approve legislation authorizing activation of Overseas Private Investment Corporation (OPIC) programs in China and send it to President Carter.

August 8

President Carter signs legislation authorizing the operation of OPIC programs in China and a Presidential determination that OPIC programs are in the national interest.

August 16-21

Director of the Bureau of Political-Military Affairs of the Department of Defense, Reginald Bartholomew, visits China.

August 20-23

Republican Vice Presidential candidate George Bush visits China and meets with Premier Deng and other high-ranking Chinese officials.

Chinese Government attacks the Taiwan Relations Act following the emergence of a Taiwan issue in the U.S. Presidential election campaign.

August 25-

September 7

First of three rounds of civil aviation negotiations are held in Beijing. Deputy Assistant Secretary of State for Transportation and Telecommunications Affairs Hight and Deputy Director General of China's Civil Aviation Administration (CAAC) Lin Zheng cochair the talks.

August 30-

September 8

Governor Robert Ray (Iowa) leads a State delegation to China.

August 31-

September 4

Assistant Secretary of Commerce for Maritime Affairs Samuel Nemirow and Director of the Foreign Affairs Bureau of the Ministry of Communications Dong Huamin cochair third and final round of the U.S.-China maritime negotiations in Beijing.

August 31-

September 28

Vice Premier Bo Yibo leads high-ranking delegation, which includes seven ministerial level officials, on a tour of U.S.

September 4

Assistant Secretary Nemirow and Director Dong initial the proposed U.S.-China maritime agreement in Beijing.

September 6-19

Under Secretary of Defense for Research and Engineering William Perry visits China to continue technology transfer talks; meets with Vice Premier Li Xian-nian and Deputy Chiefs of Staff of the PLA Zhang Aiping and Liu Huaqing; delegation tours Chinese defense research institutes, factories, and other facilities.

September 8

Deputy Assistant Secretary of State for Transportation and Telecommunications Affairs Hight and Deputy Director General of China's Civil Aviation Administration (CAAC) Lin Zheng initial U.S.-China aviation agreement in Beijing.

September 9-

October 15

Vice Minister of Forestry Yong Wentao leads delegation to U.S. at the invitation of the Department of Agriculture; tours forestry research laboratories and university forestry facilities throughout U.S.

September 10

Director General of the State Bureau of Labor Kang Yonghe meets with Secretary of Labor Ray Marshall in Washington for discussion of the U.S. labor movement.

September 13-28

China holds its first official trade exhibition in the U.S. in San Francisco.

September 16-18

First annual meeting of the U.S.-China Joint Economic Committee is held in Washington; cochaired by Treasury Secretary Miller and Chinese Vice Premier Bo Yibo; committee predicts bilateral trade in 1980 will total about \$4 billion, up about 75% from 1979.

September 17

President Carter and Vice Premier Bo Yibo sign agreements covering civil aviation and maritime links and regulating bilateral trade in textiles. They also sign a Consular Convention, the first formal treaty concluded between the two governments. China announces its decision to open consulates in New York, Chicago, and Honolulu, as U.S. announces its intention to open three additional consulates in China.

September 21-

October 6

PLA delegation visits U.S. to study the U.S. military logistics management system.

September 28-

October 23

Chinese Minister of Building Materials Song Yangchu leaves Beijing for a visit to U.S. at the invitation of the National Council for U.S.-China Trade.

October 1

Second installment of \$10.1 million paid to the U.S. by China under the U.S.-China "claims-assets" agreement.

Mayor Kevin White (Boston) and Mayor Zhou Feng (Hangzhou) agree to establish sister city relations.

October 2-18

Minister of Posts and Telecommunications Wang Zigang visits U.S.; meets with U.S. Postal Service officials.

October 7

Agreement covering procedures for the operation of OPIC in China initialed in Beijing. OPIC will provide political risk insurance to U.S. companies investing in China.

October 9

Postmaster General Bolger and Minister of Posts and Telecommunications Wang Zigang sign agreements in Washington covering parcel post and international express mail services between U.S. and China.

October 10

Los Angeles City Council proclaims October 10 "Republic of China Day." (Proclamation formally approved by the City Council October 13.)

October 11-28

Vice Minister of National Defense Xiao Ke leads a delegation representing the PLA military academies to U.S. to tour military education facilities.

October 14

Chairman of the Guangzhou Revolutionary Committee Yang Shangkun notifies Los Angeles Mayor Thomas Bradley of the nullification of preliminary agreements for establishing sister city ties in protest of the October 10 proclamation.

October 15

Vice Minister of Foreign Affairs Zhang Wenjin formally protests October 2 unofficial agreement on privileges and immunities between the AIT and Taiwan's CCNAA.

October 16

Vice Minister Xiao meets with Secretary of Defense Brown in Washington.

October 17-22

U.S. Trade Representative Askew travels to China to consult with the Chinese on U.S. trade policy and investment issues.

October 18-

November 7

PLA marksman team visits U.S. to compete in bilateral and international shooting matches.

October 20

Trade Representative Askew meets with Minister of Foreign Trade Li Qiang in Beijing.

October 20-

November 6

A gubernatorial delegation, led by Guangdong Governor Xi Zhongxun, visits U.S.; delegation members include Governors Lu Dadong (Sichuan Province), Ma Xingyuan (Fujian Province), Chen Puru (Liaoning Province), and Song Ping (First Secretary of Gansu Provincial Party Committee).

October 21

Trade Representative Askew meets with Vice Premier Gu Mu in Beijing.

October 22

Ambassador Woodcock and Minister of Foreign Trade Li Qiang sign long-term U.S.-China grain trade agreement in Beijing.

October 23

Governor Xi Zhongxun and delegation meet with National Security Adviser Brzezinski in Washington to discuss strategic issues and Asian regional questions; group also meets with Assistant to the President for Intergovernmental Affairs Eugene Eidenburg.

October 24

Governor Xi Zhongxun and his delegation meet with Assistant Secretary of State for East Asian and Pacific Affairs Holbrooke and Deputy Secretary of State Christopher in Washington to discuss U.S.-China relations.

October 25-

November 3

Senator Larry Pressler (South Dakota) leads delegation of businessmen to China.

October 25-

November 9

China holds national trade exhibition in Chicago.

October 27-

November 4

Assistant Secretary of the Treasury Department Donald Lubick leads delegation from the Departments of Treasury, Energy, and Commerce to China.

October 30

Ambassador Woodcock and Chinese Vice Foreign Minister Zhang Wenjin sign OPIC agreement in Beijing.

October 31

Assistant Secretary Lubick and his delegation meet with Minister in Charge of the State Energy Commission Yu Qiuli to discuss Chinese energy situation.

November 5

Ministry of Foreign Affairs issues a statement "on the occasion of Mr. Reagan's election as President of the United States," saying "we hope and expect that the new United States Administration will adhere to the principles set forth in the Shanghai communique and the communique on the establishment of diplomatic relations between China and the United States so that Sino-American relations may continue to progress and grow stronger."

November 8-27

Deputy Director of Civil Aeronautics Administration of China (CAAC) Li Shufan leads delegation to U.S.; group meets with State Department, Federal Aviation Administration, and Civil Aeronautics Board officials to discuss administrative and technical arrangements for implementing the U.S.-China civil aviation agreement.

November 9-23

Commissioner of Patents and Trademark of the Department of Commerce Sidney Diamond leads a delegation to China to study China's new patent law and to assist in China's efforts to develop a new patent system.

November 11-26

Director of the American and Oceanian Affairs Department of the Ministry of Foreign Affairs Han Xu visits U.S. to attend the Williamsburg X conference (Nov. 13-16), to consult with State Department officials, and to meet with prominent American public figures.

November 12-19

State trade mission, led by Governor James Rhodes (Ohio), visits Guangzhou, Shanghai, and Wuhan.

November 15-21

Under Secretary of Commerce Robert Herzstein leads delegation to Beijing to open U.S. National Trade Exhibition (Nov. 17-28).

November 17

Director Han Xu holds discussions with Under Secretary of State Newsom, Assistant Secretary for East Asian and Pacific Affairs Holbrooke, Assistant Secretary for Inter-American Affairs William Bowdler, Deputy Assistant Secretary for Near East and South Asian Affairs Peter Constable, and other senior officials of the Department of State.

November 21-

December 16

Minister of the Fifth Ministry of Machine Building Zhang Zhen leads a China North Industries Corporation (NORINCO) delegation to U.S.; delegation tours major U.S. cities and visits factories.

December 1-13

Assistant Secretary of Defense for Manpower, Reserve Affairs, and Logistics Robin Pirie leads Department of Defense delegation to China, returning the visit of the PLA logistics delegation.

ember 6-28

China holds national trade exhibition in New York.

ember 7

American airways inaugural flight in Beijing.

ember 9-20

Chinese Mapping Agency delegation, headed by Deputy Director for Management and Technology Owen Williams, visits China.

ember 10

Chinese President of the Chinese Academy of Sciences Qian Sanqiang, Vice President of the Chinese Academy of Social Sciences Mei Yi, and Assistant Director of International Programs of the National Science Foundation Harvey Averch sign basic sciences protocol in Washington provides for cooperative research between U.S. and China in several fields of basic science encompassing both natural and social sciences.

December 15-17

Chief Textile Negotiator H. Reiter Webb and Deputy Director of the Export Department of the Ministry of Foreign Trade Dai Jie lead the first round of consultations under the U.S.-China Textile Agreement in Washington. Teams fail to agree upon a level for Chinese wool sweater exports to the U.S.

December 15-19

Secretary of Labor Ray Marshall leads a delegation to China; meets with Director General of the State Bureau of Labor Kang Yonghe; Vice Premier J. Pengfei.

December 27-30

Representative Stephen J. Solarz (New York) of the Asian and Pacific Subcommittee of the House Foreign Affairs Committee leads delegation to Beijing. Representative Joel Pritchard (Washington) accompanies the delegation. ■

Orderly Departure Program for Vietnamese

DEPARTMENT STATEMENT,
E. 8, 1980¹

Over a number of months, on behalf of the U.S. Government, the U.N. High Commissioner for Refugees (UNHCR) has been negotiating with S.R.V. [Socialist Republic of Vietnam] authorities on an orderly departure program for those persons in Vietnam who wish to leave Vietnam legally for the United States and who meet the provisions of U.S. immigration and refugee law. Those negotiations have resulted in an agreement, and departures are expected to begin in December 11.

Under its provisions, the UNHCR's U.S. representative went to Ho Chi Minh City in early November to begin interviewing these persons. A considerable amount of preprocessing by mail to inform people in Vietnam and their relatives and sponsors in the United States had already been carried out by the Orderly Departure Program Office of the American Embassy in Bangkok so

that we and the Vietnamese authorities had agreed on a list of over 1,500 persons to be interviewed in Ho Chi Minh City. Following this interview and a medical examination, and then a final interview with an American consular officer, we would expect most and possibly all these 1,500 persons to be authorized entry into the United States.

The UNHCR is utilizing existing weekly international flights between Ho Chi Minh City and Bangkok for their transportation. Approximately 1,000 persons could leave Vietnam each month under this program, assuming the list of names of those who are permitted to leave Vietnam and meet our program criteria can be enlarged.

The U.S. views the Orderly Departure Program as a humanitarian issue which is unrelated to the political question of normalization of relations between our two countries.

¹Read to news correspondents by Department spokesman John Trattner. ■

U.S. Trade and Foreign Policy in the Western Hemisphere

by Ernest B. Johnston, Jr.

Address before the Southern Governor's Conference in Williamsburg, Virginia, on September 16, 1980. Mr. Johnston is Deputy Assistant Secretary for Economic and Business Affairs.

From well before the time any of us were born, the Southern States have been leaders in recognizing the importance of international trade to the country and to the region. Starting with rice, indigo, naval supplies, tobacco, and king cotton before the Civil War, the South argued strongly for a policy of trade. Senator [Oscar Wilder] Underwood of Alabama, then Chairman of the Ways and Means Committee, put the Underwood tariff act into effect in 1912 to take duties down to a level that had not been seen after the war and were not to be seen again until the end of World War II. It was Cordell Hull [U.S. Secretary of State, 1933-44] of Tennessee who, in 1934, inaugurated the radical U.S. policy of tariff-lowering in trade through reciprocal trade agreements. And it was Congressman [Wilbur D.] Mills of Arkansas who for years was the guardian of an open U.S. trade policy.

But this is not just history; this relationship between the South and trade is still true now. Forest products and paper from Alabama, Georgia, Florida, and Mississippi; tobacco from North Carolina and Virginia; soybeans, grains, and cotton throughout the whole region; rice in Arkansas and Louisiana; planes from Texas, Virginia, and Georgia; electronics from Maryland and Texas; coal from West Virginia, Alabama, and Tennessee; textiles from Georgia and the Carolinas; machinery from Oklahoma, Missouri, Maryland, South Carolina, and Texas; transport equipment from Kentucky, Delaware, Georgia, Missouri, and Mississippi; and chemicals and plastics from Alabama, Florida, Louisiana, South Carolina, Tennessee, Texas, Virginia, and West Virginia all owe a large part of their prosperity to foreign markets. The basic interest of the South is still in trade.

I think it is also appropriate to recognize the particularly strong interest by the South in the countries of Latin America and the Caribbean. One aspect of this is the bridge furnished by Puerto Rico. Another manifestation in the distant past was the interest, at one point, in seeing Cuba join the United States, the influence of southerners in the filibusters in Nicaragua and Central American countries, participation by southerners in the construction of the Panama Canal, and an interest in Mexico that finally relieved it of half its territory. Needless to say, this is not an interest that has always been appreciated by its recipients, and I do not mean to imply that the South harbors, in its bosom, imperial designs toward Latin America.

We are now in another century that has, in many ways, transformed the South more than the rest of the country—in urbanization, race relations, industrialization, and making it by far the major source of energy for the United States. But the interest of the South in Latin America remains because the South is closer and more affected by what goes on across the Caribbean. Ask the Governors of Texas and Florida who keep as keen an eye on segments of Latin America as does the Secretary of State.

Public Interest

Public interest has heightened in the United States on trade as a result of recent large trade deficits, economic downturns, and rising unemployment. There has been an increased demand for return to high-tariff or new-tariff barriers to shield domestic industries from import competition. This heightened interest has often looked at trade not as an opportunity but as a threat to the American economy. There is no doubt that the government has a responsibility to slow down excessively rapid changes caused by bursts of imports when domestic workers and capitalists are materially damaged, and we have provisions in the law that allow that. But the country does not benefit from keeping people in jobs where the United States is not most productive,

and, if we did, the consumers and our own industry would suffer. The government's job is to keep the economy growing so that economic shifts can be digested. After all, within our own borders we have seen a shift of rice production from South Carolina to Arkansas, Louisiana, and Texas. We have seen much cotton production shift from the old South to the Southwest; textiles have moved from New England to the Carolinas; petroleum production has moved from Pennsylvania to Texas, Oklahoma, and Louisiana. The true vibrancy of the United States comes from taking advantage of change.

World Trade Growth

The facts on world trade are moving faster, sometimes it appears, than our realizations of them. During a long portion of our history in this country we adapted ourselves to trade. But in the period from 1930 to the Second World War we had a policy of high tariffs, and the U.S. interest in trade languished. It was not the most vibrant of our economic periods. By 1950 only 7% of our production of goods was exported—about half the figure of 1913. Not until the late 1960s or early 1970s did we reach the 1913 figure again. But constantly since 1950, the trend, not only in this country but throughout the world, has been toward greater and greater dependence on trade to such a point that now one out of every five of the goods that we produce is sent abroad. This, of course, excludes services. In most years the rate of growth in world trade is twice the rate of growth in world production.

Over two-thirds of our imports are of raw materials and fuels essential to the economy. Petroleum, now about 35%, will cost about \$90 billion this year. To help pay for this bill we have a surplus in trade of both manufactures and agriculture. One thing to keep in mind is that with the dramatic wrench caused by spiraling oil prices, members of the Organization of Petroleum Exporting Countries (OPEC) will have a balance-of-payments surplus this year of about \$120 billion—a surplus equal to 10% of world trade. This surplus will be mirrored by deficits for the rest of the world. If that deficit was spread around evenly it would account for a U.S. deficit of about \$20 billion, and other nonexporters of oil face the same phenomenon.

As the President has emphasized, a major economic change facing the United States is to adapt to the change in energy. We must both slow down our energy consumption, and we must develop new sources and new methods. About half of our merchandise imports consist of products which are non-competitive with domestic products either because they are not available or not available in sufficient supply. Competitive products serve as a buffer to keep down the inflation rate in this country. Between 2 and 2½ million domestic manufacturing jobs depend directly on exports; one in nine U.S. manufacturing jobs and one in three of our farm acres produce for sales abroad.

Importance of Trade to the South

The importance of trade to the members of the Southern Governors' Association is clear. Total exports from the 7 continental States this year would be about \$60 billion and, in this region alone, we are talking about well over half a million jobs attributable to exports. Texas will send about \$14 billion in goods abroad, Missouri about \$5 billion, Louisiana close to \$4 billion, and North Carolina more than \$5 billion. I like to admit that some of these figures are "hip-pocket" estimates since the latest accurate figures go back to 1977 and our trade has about doubled since then. Between 1973 and 1980, our exports and imports will have about doubled, a compound rate of growth of 8% a year.

Our trade with the Western Hemisphere has grown even more, and it includes two of our four largest trading partners, Canada and Mexico. Our trade with the developing Western Hemisphere nations exceeds that of any other block of developing nations including the Middle Eastern oil exporters. In 1979 we sent over \$26 billion of goods to the Latin American republics, and we had a surplus of about \$4 billion. That same year we sent \$33 billion to Canada and had a deficit of about \$5 billion. Mexico takes \$1 billion of our exports, and Venezuela and Brazil each take about \$1 billion.

Effects of Foreign Policy on Trade

Governor [of Virginia, John N.] Dalton asked me to discuss how foreign policy affects our trade in the Western Hemisphere. The relationship is, in fact, a

circular one. These enormous figures are of great importance to the U.S. economy and to the economy of our neighbors, thus an important element in our foreign policy interest in this hemisphere. After all, what is foreign policy but a compilation of the important interests that we have abroad? Pursuit of our trade interest should ultimately lead us in the same direction as pursuit of our political interest—toward a close relationship with the countries of North and South America, in which all recognize a shared interest in the security, stability, and economic well-being of the region.

The Caribbean and Central America are a case in point. Political deterioration and economic decline in this area are of great concern, though we are trying, in a time of tight budgets, to respond to these problems with increased aid aimed especially at strengthening the private sector in these countries. Aid alone cannot handle the job. Economic development depends primarily on actions which countries themselves take to increase the productivity of their people and, thus, their standard of living. Despite aid to this region, trade prospects have a more important bearing on long-term economic development of these countries.

Many are small and depend on minerals or farm crops for most of their exports. Some have unemployment rates of 40%. Many that have begun to develop have done so on the basis of an economy geared to low priced energy. Now they must reorient their economies to pay for oil which has multiplied its price by 10 times in less than a decade.

The United States is their most important market. Our security interest would be well served if the Caribbean countries could take better advantage of our market. All of Latin America, with the obvious exception of Cuba, benefits from duty-free treatment for certain goods under our generalized system of preferences, and some of them among the poorest, such as Haiti, are taking the most advantage of the scheme.

Making our political and economic interests mesh, however, is not always a smooth process. The United States is a global power with many objectives, some of which conflict in particular situations. As a global power our reach is far. The world looks to us for con-

stancy. Our concern with human rights goes back to the Revolution and is an old element in American policy, but it is occasionally cited as a foreign policy concern that interferes improperly with our trade interest. Human rights is a serious concern and, over the long haul in many countries, has an intricate bearing on political stability and economic progress. But I would like to point out that U.S. exports to Chile and Argentina, two of the prime focuses of our human rights efforts, increased in 1979 by over 60% in Chile and 125% in Argentina. Governor [of Georgia, George D.] Busbee, in his work with you and in the President's Export Council, has been doing valiant work to keep these different aspects of our policy in perspective.

The most typical case is one where economic differences lead to political problems. Sensitive imports from Mexico have caused problems for U.S. producers and spilled out into the political relationship. The choice of actions in such a situation is unattractive and involves tradeoffs among different domestic economic goals and with our external trade relationships. Likewise, energy imports, both gas and petroleum, which the United States seeks from both Canada and Mexico at reasonable prices, have from time to time been sources of political contention.

Other Latin exports to the United States are sensitive not because of low prices but because producers are seeking higher prices. I refer to primary commodities such as coffee, tin, and sugar. In the last 3 or 4 years, the United States has sought commodity agreements to dampen wild gyrations in commodity prices for about five commodities. We wish, on the one hand, to avoid excessive peaks in the pricing that ratchet up the cost for our consumers. It is also, however, in our interest to avoid excessive valleys in prices which would discourage investment in these commodities and, over the long haul, diminish supplies and thus exacerbate future price rises when the supply-demand situation changes.

It is hard for us to realize how important single commodities are to some of the Latin American countries. Over half of Bolivia's exports consist of the single commodity—tin; one-fifth of the exports of Barbados and the Dominican Republic are sugar; El Salvador and Guatemala get half their export receipts from coffee, and Haiti, Honduras,

and Nicaragua get one-third. For Jamaica, alumina and bauxite represent nearly three-fourths of the sales abroad.

Economic Development and Foreign Aid

The interaction between economic development in Latin America and foreign trade is complex. In the past, some of these countries have adopted highly protectionist strategies to encourage infant industry, but the policy has most often been self-defeating. The infant, without the winds of competition, could not seem to grow up. Chile and Argentina followed this strategy for many years. In the 1920s these countries' per capita product was equivalent to that of many European states. But by following this strategy their economies fell behind. The agricultural sector suffered. They have now abandoned these policies. Several other Latin American countries have sought to encourage new industry by requiring foreign investors to meet minimum local content and export criteria. The motivation behind these rules is understandable, but if all countries followed this pattern, the results would be frustrating. One country's local content requirement could block another's export requirements.

Markets would be fragmented not only for the United States but for the developing Latin American countries, and the results would be self-defeating for the countries that try these methods since they would be encouraging industry that does not know the discipline of competition.

U.S. and Canada

The intimate interaction between Canada and the U.S. economy presents different challenges. Most important, Canada is usually our largest single trading partner and the principal locus of U.S. foreign investment. In 1979 total U.S.-Canadian trade was about 3% of our gross national product but 27% of Canada's. Canada took 20% of our exports. Trade in both directions is especially heavy in machine and transportation equipment—about 27% of our exports and 26% of our imports. Trade in automobiles and parts is even more concentrated because of the U.S.-Canadian auto agreement.

The closeness of the two economies inevitably leads to contentious issues in the trade and investment fields. Canada

has a population one-tenth of ours, though it is the second largest country in the world. The majority of its population lives within 60 miles of the U.S. border. The Canadians worry about our exports of fruits and vegetables, which get ripe in the United States before they do in Canada and which drive down Canadian prices before the items are picked. Canada is much concerned that its economy not be dominated by U.S. interests and, in 1974, instituted a foreign investment revenue agency to screen foreign investments and approve them when they are of "significant benefit" to Canada. We are concerned about possible trade and investment distortion resulting from the performance requirements by that agency. We make these concerns known to

Canada in an effort to continue the favorable investment and trade climate so important to both our economies.

The 1979 Trade Act suggests that we take the links that bind our economy to that of our North American neighbors one step further and explore the prospect of setting up a North American free trade area. The Administration will make that study, but we should keep in mind that the prospect of such a free trade area does not seem the same from here as it does from the viewpoint of Canada or Mexico. Both of these countries have expressed serious reservations about the idea. Both are much smaller, they have a smaller industrial base and less rich agriculture. They are concerned that their economies not be overwhelmed by the much

Trade With the Soviet Union

PRESIDENT'S LETTER TO SENATOR JACKSON, OCT. 25, 1980¹

You wrote to ask my views about section 402 of the Trade Act of 1974, the Jackson-Vanik amendment.

From the beginning of my Presidency I emphasized our commitment as a nation to human rights as a fundamental tenet on which our foreign policy would be based. That commitment of mine is as deep and as important to me today as it was then.

You have always been a pioneer in the area of human rights and your leadership and support have been instrumental in our success. I am sure that the record will show that American words and actions in the last period have left their mark on the rest of the world. Because of our leadership the defense of human rights has its rightful place on the world agenda for everyone to see.

The Jackson-Vanik amendment, which you authored, represents an important statement of our nation's commitment to the free emigration of Soviet Jewry. As you well know, I, along with you, have been specifically concerned about Jewish emigration from the Soviet Union. The year before I became President, Jewish emigration was

about 14,000. Last year it was up to 50,000—the highest level in more than 10 years. The lower rate this year in the wake of the Soviet invasion of Afghanistan is of great concern. We will continue to register our strong concern about this low level of emigration at the Review Conference on Security and Cooperation which will meet in Madrid next month. The Soviet Union has an obligation to honor its Helsinki commitments.

After the Afghanistan invasion, I took a number of steps, including the suspension of grain sales and the restriction of high-technology exports to the Soviet Union, to make quite clear to the Soviets that we cannot conduct business-as-usual with them while their troops are occupying another country.

With the Soviet troops still in Afghanistan and with unacceptable denials of free emigration, it is totally inappropriate to consider any changes to section 402 of the Trade Act of 1974, and I have no intention of doing so. Furthermore, I can assure you that the U.S. delegation under the leadership of Ambassadors Griffin Bell and Max Kampelman at the CSCE Conference in Madrid will take every opportunity to make clear to the Soviet Union that their record of emigration is a violation of the Helsinki accords.

I value your views on this subject and I look forward to working closely with you on these very vital issues.

Sincerely,

JIMMY CARTER

¹Text from Weekly Compilation of Presidential Documents of Nov. 3, 1980. ■

Energy: Continuing Crisis

by Deane R. Hinton

Address before the Mid-America Committee in Chicago on November 18, 1980. Mr. Hinton is Assistant Secretary for Economic and Business Affairs.

Generals are said to study warfare and often learn the wrong lessons. Politicians, businessmen, and even bureaucrats may also become adept at winning yesterday's battles, not tomorrow's.

But history still instructs. Being wedded to the past is a mistake, but the past teaches us as well—if only to avoid repeating errors. In this vein, I suggest that lessons from the two oil crises of the 1970s—the 1973–74 embargo and the 1979 interruption of supplies from Iran—if applied to the future, can prevent the current oil supply interruption from seriously damaging our own and the rest of the world's economies.

The current situation is serious, and the longer term crisis continues. We need to act in the short term due to the Iran-Iraq war and in the longer term due to the industrialized world's dependence on imported oil to supply its energy needs. Our efforts to combat these threats must be vigorous and informed by experience, often painfully acquired.

The Right Lessons

Our government, under both Democratic and Republican administrations, has learned the right lessons at times in the past. The 1973 oil embargo and the accompanying cut in production were shocks to the system. Both our economic well-being and our security were put at jeopardy. We analyzed the problem and saw that there were two components—a need to protect ourselves against short-term supply interruptions and a realization that energy price and supply had become a long-term problem requiring ongoing, concerted action in order to avoid continuing vulnerability.

The establishment of the International Energy Agency (IEA) in 1974 was a response to both. This was an instrument to protect us against future embargoes or other major supply interruptions and to help nations work together to reduce our dependence on imported oil through conservation and acceleration of

the development of alternative supplies. We realized then that the energy problem had the potential to divide us from our principal economic partners and security allies. Accordingly, we designed the IEA as an energy collective security arrangement. Its centerpiece is an emergency oil-sharing system which can be triggered when needed. The trigger mechanism can be called into operation if the IEA, as a whole, is suffering a shortfall greater than 7%. In addition, any nation suffering a 7% shortfall can activate the system and call upon the other nations to make up continuing additional shortfalls beyond the 7% mark.

This sharing system has a number of strengths. It is capable of being implemented quickly and makes use of a previously agreed mechanism and formula. Triggering the system would give the United States and other IEA governments legal authority to implement strong domestic measures if necessary. Also, sharing would make oil available to hard-hit IEA countries and to oil-short companies in such countries, reducing the tendency to resort to the spot market where small quantities of petroleum products and crude oil are traded to clear the market, which is overwhelmingly dominated by long-term contracts. Price rises in the thin spot market create a psychology which encourages hikes in official prices—which consequently boost the overall oil bill.

The long-term lesson from 1973 was that the era of cheap and accessible energy had passed and that a continuing energy crisis was in train. Recognizing this, we embarked upon a vital journey, which is far from finished—a journey designed to improve our national approach to energy and to stimulate other countries to do the same. We have made much progress. At home, we are reducing our dependence on imported oil. For example, U.S. oil imports were below 7 million b/d [barrels per day] in the first 6 months of 1980 compared to 8.6 million b/d in 1977. In addition, increased energy efficiency has enabled us partially to decouple GNP growth from growth in oil consumption so our economy can expand without increasing our dependence on imports.

I won't review here the evolution and the vicissitudes of our national energy policy, but I think it can honestly be said that we have more than begun on the long road toward increasing our energy supplies and making better use of what we have. While we must concentrate first on putting our own house in order, we

U.S. industrial and agricultural. Both are eager to develop energy resources to the maximum on their own development point of view. They are reluctant to mortgage energy supplies to one market. We feel that their energy environments are among the most precious economic assets they have. Though we recognize that proximity means we are likely to be the principal trader of whatever they eventually decide to export, they wish full freedom to decide their production, price, and export policy. They are both fiercely proud of their political independence. In such circumstances, I am dubious that the North American free trade area is likely to become a reality in the near future. We will continue to develop our relations but probably by other means.

Conclusion

Despite the problems I have mentioned, the outlook for expanding trade relations with other countries in this hemisphere is basically bright. We must face a challenge in adjusting to the more complex and sophisticated economies emerging in much of Latin America and in adapting to the great changes of the new world energy situation but economic expansion in the region clearly presents opportunities for American exporters. In addition, the byproduct of greater economic strength in the Latin American countries should be a lessening of the political sensitivity that now affects many economic issues. Finally, I believe that our neighbors in this hemisphere share our view that trade and political relations among us must be strengthened in the interest of us all. ■

also must continue to cooperate actively in pursuit of these same goals with our allies in the IEA and at the annual economic summits of the industrial democracies.

The Second Crisis

After the shocks of 1973 and 1974, we were making headway throughout the mid- and late-1970s. IEA efforts and our national policies were moving in the same, positive direction, although we were slower in starting than our IEA counterparts.

Unfortunately, in 1979, Iranian supplies were interrupted, and we were taught another lesson. This was a clear example of vulnerability to attack from an unexpected direction. The IEA system was designed to meet a recurrence of the 1973 experience—a major shortfall (above 7%) or an embargo. But history did not repeat itself. The interruption in 1979 was considerably less than 7%. We did not have an IEA mechanism on the shelf to deal with it.

We soon learned a painful lesson that even a small interruption, under conditions of uncertainty, could have devastating economic consequences. Although the decline in Iranian production was only 4% of world production, market dislocations and price increases buffeted a world economy which had still not fully recovered from the 1973 oil price shock. These blows helped push the United States into recession and slowed economic growth in the other industrial nations. In the United States our total inflation grew to double digits. For the industrialized nations as a whole, it is estimated that the price hikes of 1979 will ultimately cause a loss of about \$300 billion in GNP. And the fragile economies of the developing nations have been scarred even more severely by these higher oil prices.

The IEA developed a response to the 1979 crisis. Its members made a commitment—albeit a loose one—to reduce the group's demand for imported oil by 2 million b/d. Each nation's share of the reduction, as well as the time within which action had to be taken, was unspecified. Although significant savings of about 1.5 million b/d, or 6% of 1978 IEA imports, were achieved by the end of 1979, this was too late to forestall sharp price increases. IEA governments, focusing on the modest quantity of the shortfall, had underestimated the psychological impact of the crisis on the market. Midway through the year the United States came to the conclusion that the IEA response to the 1979 crisis was inadequate.

Another Lesson: The Need for Better Tools

The United States, therefore, took the lead in giving the IEA and the world community better tools to meet a shortfall. The most important of these is national ceilings on oil imports. At the Tokyo summit in June 1979, the seven largest industrial democracies adopted 1985 oil-import targets. The IEA subsequently refined and expanded these into national import ceilings for 1980 and national import goals for 1985 for all its members. This process has been institutionalized by the establishment of a system within the IEA in which ceilings would be imposed to counteract a market shortfall. Each nation would be responsible for determining the measures necessary to achieve its ceiling.

Thus, we are not without resources to face supply interruptions. In fact, our experience in the IEA has expanded our options beyond those which I have discussed. And we have established practices of consultation and cooperation which will permit us to tailor our responses directly to any concrete situation.

Dimensions of the Present Situation

In this way, we have refined, through chastening experience, our abilities to deal with oil-supply interruptions. Now we are faced with another novel and threatening situation—the Iran-Iraq war. The energy effects of war between the two oil producers are serious, although they have been manageable thus far. The war has taken 3.8 million b/d of oil exports off the world market, over 8% of oil produced in non-Communist countries. Since world consumption has declined, we can simply do without some of this oil—about 1 million b/d of it. Another 1–1.5 million b/d can be made up through increased production from the Saudis and other OPEC [Organization of Petroleum Exporting Countries] nations. This leaves a shortfall of over 1 million b/d, which is now being met by drawdowns of above normal stocks in some nations and by some belt tightening in nations without adequate stocks.

The extent of any possible continuing shortfall will depend on a number of factors, including how much additional supply is made available by other OPEC nations, whether companies and individuals begin to hoard oil supplies and whether the war expands to other nations or interferes with gulf shipping.

Since world stocks are at an all-time high, we should, in principle, be able to manage the current shortfall for at least the next 6 months. However, there are complicating factors. The current shortfall is not distributed evenly among countries and companies. The United States lost a very small percentage of its oil. Some IEA members—Italy and Japan—lost 15% and 8% respectively, while others—Turkey and Portugal—were hit more severely. France lost 30%, and Brazil and India have been cut by more than 40% each. In addition, many developing nations depended on Iraq for most of their oil and received it at much needed concessional terms.

Even in countries which have lost little overall, certain companies have suffered substantial losses. This means that even though world stocks are high, some nations and companies are hurting now, and others will be in the near future. If they are unable to secure adequate supplies elsewhere, they may turn to the spot market to make up their shortfall.

If they do so, spot market prices will increase, perhaps rapidly. OPEC ministers who meet in Bali on December 15 will be very attentive to price trends on the spot market. If history repeats itself, official price increases would follow and be reflected in long-term contracts for 1981 which will be negotiated next month. Some producers, in response to rising spot prices, may also impose surcharges on their official prices. Because of this price effect of a shortfall, all buyers would suffer. Even countries which lost few supplies—such as the United States—would bear a heavy burden.

In trying to plot our course of action during the next months, we must begin with a premise: It is unacceptable to permit oil prices to skyrocket as they did in 1979. Several key elements in the 1979 price escalator must be attacked—the leading role of spot prices, excess stock building, and fear of uncertainty in oil markets. If we focus on these factors and have learned our lessons well, we can defend ourselves adequately against another body blow to the world's economy.

Peace Efforts and IEA Cooperation

The first step is to reduce war-linked uncertainty in the oil market by encouraging those forces working for peace between Iraq and Iran.

- We are actively working through the U.N. Security Council toward a resolution of the conflict which does justice to

the legitimate concerns on both sides and follows the principles of international law.

- The U.S. position from the beginning of this conflict has been clear: We are impartial but not uninterested. The political, economic, and human consequences of continuing conflict are of vital importance to us and the rest of the world.

- We are concerned that the conflict may be expanded and have taken steps to prevent that. We believe, strongly, that there must be no infringement of the internationally recognized freedom and safety of navigation in the Persian Gulf and welcome assurances given by both Iran and Iraq in this regard.

- We believe, as well, that countries should be protected against interference in their internal affairs and that international disputes should be settled by peaceful means rather than by force.

Beyond peace efforts, our principal aim is to keep the world supplied with oil in a way that reduces pressure on oil prices. On the supply side, certain gulf countries such as Saudi Arabia, Kuwait, and the U.A.E. [United Arab Emirates] have increased production to try to make up some of the shortfall suffered by customers of Iraq. Exports may also increase from nations such as Nigeria, which were producing at less than normal levels due to slack demand. The most we can hope for from these countries is an extra 1-2 million b/d, with the lower end of the range more likely.

On the demand side, we are cooperating with the 20 other industrialized nations which are members of the IEA and with France to calm the market. There are two related aspects to this effort. First, we can ease spot market pressure by using existing stocks. Second, we have to reduce overall demand for imported oil to compensate for reduced supply.

IEA nations agreed on October 1 to avoid abnormal purchases on the spot market and to meet any shortfall through stock draws. This has had a useful effect so far. The IEA policy is based on consultation and persuasion, and we are depending in the last instance on the cooperation of oil companies. We must recognize that companies may become reluctant to draw down stocks even at normal rates if they foresee a continuing shortfall. If this proves to be the case, the buffer of high stocks, lacking in 1979, at which has furnished a cushion for us in 1980, will comfort us less and less in the future.

What we do further depends on our view of the market's continuing assessment

of prospects for resumption of something approaching normal levels of production from Iraq and Iran. This requires judgments about the length of the war and the likely pace at which their exports could be restored to more normal levels. Based on the limited information available, damage to oil production and export facilities in both countries, to date, is not excessive, and exports will be likely to rise, to some extent, soon after hostilities cease. It may be some months, however, before exports would approach prewar levels. Any new or, as yet, unreported damage to oil facilities could extend this period, as would any difficulties in organizing repair efforts.

What Should Be Done Now?

While we cannot foresee the outcome of the conflict, we can act to mitigate its effect. We will be continuing discussions with our friends and allies in the next few weeks and will concert our responses to the oil markets in light of the situation in the Middle East. The adoption of import ceilings, activation of the sharing system, or other responses could require strong domestic measures. To handle short-term emergencies, nations have proposed measures such as fuel switching, emergency taxes or tariffs, temperature control standards, leaving cars home one day a week, and others. In 1979, we relied on fuel switching, temperature controls, and increasing production, where possible. We might need some additional mechanisms in 1981.

Whether any of these actions is ever used, the point remains: In order to reduce short-term price pressure, we need to reduce demand for oil. The choice is quite simple. We can cut back a bit now or risk paying the price. In this case, the price could be \$30-\$90 billion additional per year for our oil, resulting in reduction of growth, higher inflation, and diminution of our strength and international position. This was the real choice facing IEA countries in 1979, though we did not know it at the time.

Better Mechanisms and Expanded Supplies

We still need to learn, for the next time. The public needs to understand that the energy problem is not going to go away. We need to act consciously to manage it. We need to have popularly supported mechanisms to minimize upward price pressure during short-term interruptions and, for the longer term, to reduce more

rapidly the dependence of the United States and other nations on imported oil and speed the transition to other energy sources. We need to spur production.

Some of these mechanisms we can adopt ourselves; others require cooperation from other industrialized nations as well as the producing nations. Short-term demand restraint possibilities have already been mentioned. Longer term measures to increase available supply include increasing production from domestic energy resources—coal, oil, gas, and nuclear; hastening the development and commercialization of new energy technologies—solar, biomass, shale oil, liquids, and gas from coal; emphasizing conservation and efficiency; and expanding cogeneration of heat and power.

Considerable effort should be devoted to expanding secure energy supplies. We are taking the lead ourselves in coal. We are in the early stages of a substantial long-term coal export strategy by which we will increase our economic strength and also help our energy-deficient trading partners by providing them with reliable long-term energy supplies.

Other nations with abundant energy resources should respond to the needs of their friends and the world economy. Under foreseeable circumstances, it pays no nation to limit energy production for short-term national interests. This prescription applies across the board, since the political and economic security of every nation would be threatened by a chaotic and crippled energy-short world economy.

In our relations with key OPEC nations, we have emphasized their stake in a sound world economy and the importance of adequate, reasonably priced oil supplies to world economic health. Some nations, particularly those of the Arabian Peninsula, see the merits of a long-term perspective and are producing at levels far above those required for their domestic economies.

But the industrialized nations cannot ask OPEC to produce energy to respond to the needs of the world economy if they, themselves, will not. In this regard, Canada's recent announcement of a new national energy policy, which appears likely to result in limiting Canadian production, seems to be out of step with the rest of the world. We hope that, as details of Canada's new program are worked out, the Canadian Government will recognize its more general responsibilities to create incentives—including price increases—rather than disincentives to energy pro-

duction. We also hope that nations such as the United Kingdom and Norway will produce at maximum efficiency in order to provide more secure sources of energy supply.

We are doing our part. Energy policies now in place are having an appreciable effect on our energy balance sheet. We have reduced our oil imports by 25% since the peak year of 1977, and we are well on the road to increased energy production. We can now exercise greater leadership, internationally, in confronting the world's energy problems since we have turned from a nation with one of the weakest energy programs into a nation with one of the strongest. Policies and legislation have been effective in reducing demand and increasing supply, especially through gradual oil and gas price decontrol, incentives for greater energy efficiency in homes and businesses, fuel efficiency standards, building temperature controls, the synfuels program, and related measures.

But we cannot rest on our laurels. We have a long way yet to go. The war between Iraq and Iran is a telling reminder that the unpredictable and irrational do occur. We must strengthen our ability to react even to extreme cases. Ultimately, we will have learned the right lessons when the American people understand that our well-being and security are at stake in our response to the continuing energy crisis. ■

North Atlantic Council Meets in Brussels

Secretary Muskie departed Washington, D.C., December 9, 1980, to attend the regular semiannual session of the North Atlantic Council ministerial meeting in Brussels December 11-12. Before returning to the United States, he stopped in London December 12-14 to consult with British officials.

Following are the texts of the final communique, the declaration approved by the 15 Foreign Ministers, and the minutes extracts made available to the press of December 12.

FINAL COMMUNIQUE, NORTH ATLANTIC COUNCIL¹

The North Atlantic Council met in ministerial session in Brussels on 11th and 12th December, 1980, against a background of growing uncertainty and tension in international relations. Ministers agreed on the following:

1. The continuing military build-up of the Soviet Union, its clear willingness, as seen in Afghanistan to use force in disregard of the principles of the United Nations Charter, the Helsinki Final Act and International Law and the Soviet menace which hangs over Poland give cause for grave concern to the members of the Alliance and to the entire international community.

Allied strength and cohesion are thus essential to the maintenance of stability and peace. United in purpose, the Allies are determined to meet any challenge to the freedom and well-being of their peoples and to make the efforts and sacrifices required for deterrence and defense. In this way they do their part to preserve the basis for detente.

Genuine detente must be worldwide in scope and indivisible. It can succeed only if the Soviet Union strictly abides, in Europe and elsewhere, by the Helsinki Final Act in their entirety. Allied efforts to persuade the Soviet Union to change its policy from one of intervention in the affairs of other states to one of respect for their sovereignty serve the general interest of the international community. The Allies will keep open channels of communication and be ready to respond positively to concrete steps by the Soviet Union to cease aggressive activities and to restore the basis for constructive East-West relations. In this connection, the Allies remain committed to the pursuit of effective, balanced and verifiable measures of disarmament and arms control.

2. Detente has brought appreciable benefits in the field of East-West cooperation and exchange. But it has been seriously damaged by Soviet actions. It could not survive if the Soviet Union were again to violate the basic rights of any state to territorial integrity and independence. Poland should be free to decide its own future. The Allies will respect the principle of non-intervention and strongly urge others to do likewise. Any intervention would fundamentally alter the entire international situation. The Allies would be compelled to react in the manner which the gravity of this development would require. Therefore the Council will keep the situation under close and continuous review. At the same time, genuine Soviet efforts to restore the confidence necessary for detente will meet with a ready response from the Allies.

3. It is important, particularly in the present circumstances, that the calm situation in and around Berlin should be maintained and that the positive effects of the Quadripartite Agreement of 3rd September, 1971, should not be impaired by unilateral measures. The international situation as a whole cannot fail to be affected by the situation in Berlin.

Recent measures introduced by the German Democratic Republic have substantially reduced inner-German travel and visits of Berliners. This development constitutes a setback in the relationship between the two German states. The Allies support the efforts of the Federal Republic of Germany to achieve the withdrawal of these measures so that relations between the Federal Republic of Germany and the German Democratic Republic could develop further in the interest of stability and co-operation in Europe and of those affected.

4. The Soviet occupation of Afghanistan is unacceptable. One year after the Soviet invasion, the Afghan people still suffer from repression by foreign troops on their soil. The use of military force by the Soviet government to impose its will on the people of a neutral and non-aligned country belies its oft-repeated professions of friendship for the nations of the Third World, creating distrust about its future intentions. An overwhelming majority of the United Nations General Assembly has again called for the immediate removal of the foreign troops from Afghanistan. Despite the efforts of the Islamic Conference, the quest for a political settlement has made no progress because of Soviet intransigence. Such a settlement must provide for the total withdrawal of Soviet troops and enable the Afghan people to exercise fully their rights of independence and self-determination.

More than one million Afghans have been forced by the Soviet occupation to flee

homeland, causing great human suffering and placing a heavy burden on neighbouring countries. In the spirit of the United Nations Resolutions, Allied governments, in conjunction with a number of neutral and non-aligned countries, are contributing to humanitarian aid to alleviate the plight of refugees.

The Soviet invasion of Afghanistan has major implications for the whole of West Asia, an area of paramount interest to the international community and the security of the Allies. Members of the Alliance are prepared to work for the reduction of tension in the area and, individually, to contribute to peace and stability for the region, while protecting their vital economic and strategic interests.

The Allies deplore the war between Iraq and Iran, which causes further concern for the stability of the affected region. In this connection, they underline the importance of maintaining freedom of navigation.

Recalling positions previously taken by the Council, the Allies reaffirm the need for the achievement of a just, lasting and comprehensive settlement of the Arab-Israeli conflict.

The enormous growth over a number of years of Warsaw Pact and in particular Soviet military power gives rise to legitimate concern in Europe and throughout the world. This build-up contradicts the frequent assurances by the Warsaw Pact countries that their aim is not military superiority.

Under present circumstances there is a particular need to look to deterrence and defence. The Allies will therefore take, individually or collectively, the defensive measures to meet the growth of Warsaw Pact capabilities and to deter any aggression.

The strength of the Alliance lies not only in its defensive capability but also in its cohesion and the readiness of its members to overcome another political and economic upheaval. In particular they have greatly benefited from the practice of frank and timely consultations on a broad range of issues. They will vigorously pursue this practice as the object of underscoring their solidarity on all matters affecting their common interests. They will continue Allied proposals to strengthen the economies of the advanced member countries, undertaken in the spirit of article 2 of the North Atlantic Treaty, which have gained additional significance and urgency.

The deterioration of the situation in West Asia underlines the necessity and urgency of enhancing the defence posture of the South-Eastern flank and of maintaining stability and a balance of power in the Mediterranean region as a whole.

The cohesion of the South-Eastern flank has been strongly reinforced by recent decisive decisions regarding this area, and the capability of the alliance for deterrence and defence has thereby considerably improved. These developments may, at the

same time, be considered as a welcome step to the restoration of mutual confidence between Greece and Turkey, and they enhance the prospects for success of the bilateral efforts of the two governments.

8. The Allies attach importance to the process initiated by the Conference on Security and Co-operation in Europe (CSCE) as a valuable framework for improving security and developing co-operation in Europe on the basis of full implementation of the commitments entered into at Helsinki. They remain committed to the continuation of the CSCE process beyond the present follow-up meeting in Madrid. This meeting is taking place in the shadow of the Soviet invasion of Afghanistan and the continuing suppression of human rights in the Soviet Union proclaimed on the Helsinki Final Act. In condemning these violations, as during the thorough discussion of implementations, the Allies are seeking to preserve the integrity of the Final Act, to which they remain dedicated.

In the same spirit, they are presenting important new proposals in all areas covered by the Final Act, including human rights, human contacts and information. In the security area the allies strongly support expanding and strengthening confidence building measures within a framework that ensures they will be militarily significant, verifiable and applicable to the entire continent of Europe, including all of the European territory of the Soviet Union. In this regard, recalling their previous declaration in Ankara, the Allies took note that the proposal of the Government of France concerning a mandate for a conference on Disarmament in Europe, under the aegis of the CSCE, has been tabled in Madrid where it has been welcomed by many delegations.

9. Sharing the widespread international concern at the continuing increase in armed forces and armaments throughout the world, Allied governments have put forward proposals in various form in which arms control and disarmament are discussed. These efforts are made more difficult if agreements already in force are not fully observed. In this connection, the Allies welcome all constructive efforts by the contracting parties aimed at ensuring the effectiveness of existing accords. The negotiation of new agreements must provide for adequate verification. The Allies will continue to seek agreements establishing greater security for all nations at lower levels of forces and armaments within the United Nations framework and elsewhere.

10. The Allies engaged in the negotiations on Mutual and Balanced Force Reductions remain determined to achieve a more stable and equitable balance of forces in Central Europe through reductions in two phases leading to genuine parity in military manpower in the form of a common collective ceiling, based on agreed data. The Western proposal of December 1979 provides a realistic framework for a mutually beneficial phase 1 agreement involving

United States and Soviet reductions and associated measures. Although the Eastern countries have recently made some limited moves towards an interim phase 1 agreement, as proposed by the West, they have regrettably still not provided the information necessary to reach agreement on the size of the forces of the Soviet Union in Central Europe, which is an essential prerequisite to a phase 1 agreement. Nor have the Eastern countries responded adequately to Western proposals concerning associated measures which are designed to ensure verification of force reductions and limitations and to enhance stability.

11. Assuring strategic balance between the United States and the Soviet Union is central to the security of the Alliance. The Alliance supports further negotiations and remains deeply committed to the SALT process as a way of achieving meaningful mutual limitations on United States and Soviet strategic nuclear forces that will help enhance Western security and preserve East-West stability.

12. The Allies who participated in the decision of 12th December, 1979 on Theatre Nuclear Forces (TNF), having received a second report from the Special Consultative Group on Progress in Arms Control involving TNF, expressed their satisfaction with the close and fruitful consultations which have taken place within the Group. They noted with satisfaction the serious and substantive character of the recent discussions between the United States and the Soviet Union. Those Allies expressed their support for the United States negotiating approach, elaborated in intensive consultations among them on the basis of the December 1979 decision. A date for resumption of US-Soviet exchanges next year will be set through mutual consultations.

The continuing implementation of the modernization element of the December 1979 decision was noted. The Soviet preponderance in Long-Range TNF (LRTNF) deployments remains cause for serious concern. The SS-20 bases already identified would alone support more warheads than are planned for their entire modernization program. Allied solidarity in support of both modernization and arms control involving TNF remains key to achieving progress toward agreed limitation. The scale of NATO's Long-Range TNF requirements will be examined in the light of concrete results achieved through negotiations.

The withdrawal of 1,000 United States nuclear warheads from Europe as an integral part of the LRTNF modernization and arms control decision has been completed.

DECLARATION

The Foreign Ministers and representatives of Belgium, Canada, Denmark, France, the Federal Republic of Germany, Greece, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Turkey, the United King-

dom and the United States of America recalled previous declarations regarding acts of violence and terrorism including those committed against diplomats and diplomatic missions. They noted with grave concern the suffering inflicted on innocent people, as well as the negative impact of the continuation and spread of such acts on the social structure and democratic institutions of individual countries and on international relations. They vigorously condemned these terrorist acts as particularly odious, regardless of their causes or objectives. They agreed unanimously on the necessity, in accordance with the legislation of each country, for close inter-governmental cooperation and effective measures to prevent and combat terrorism.

With particular reference to Iran, they expressed their continued deep concern over the flagrantly illegal holding of United States diplomatic personnel and property and repeated their call upon the Iranian authorities to release immediately and unharmed the American hostages.

MINUTES EXTRACTS

Economic Cooperation and Assistance Within the Alliance

Reaffirming their attachment to the spirit of article 2 of the North Atlantic Treaty, Ministers reviewed the particular problems faced by the economically less advanced member countries in the light of the difficult world conditions currently being experienced. They noted a report by the Secretary General on the progress so far achieved through appropriate bilateral and multilateral channels in improving the economic situation in those member countries. Following the political initiatives taken since 1978, substantial results have been obtained, but Ministers underlined that continued political support was essential for solving the longer term economic problems of these countries, which would contribute to the consolidation of Alliance strength and solidarity.

"Science for Stability"

Ministers noted that concrete proposals had now been developed to implement the "Science for Stability" programme, whose establishment they endorsed last June, to strengthen the scientific and technological capabilities of the less developed member countries, and that these proposals would require the provision of adequate funding over the next five years.

The Situation in the Mediterranean

Ministers noted the report on the situation in the Mediterranean prepared on their instructions and underlined again the necessity of maintaining the balance of forces in the

whole area. They requested the Council in permanent session to continue to consult on the question and submit a further report at their next meeting.

Equipment Cooperation

Ministers examined a report by the Conference of National Armaments Directors and noted the encouraging progress being made both in periodic armaments planning and in cooperative projects for the development and production of defence equipment. They welcomed the efforts being undertaken under the transatlantic dialogue to initiate dual production projects and promote the study and introduction of families of weapons. Such a transatlantic dialogue presupposes the development of cooperation between European countries of the Alliance. Emphasizing the important contribution which standardization can make both to military effectiveness and a better use of resources, they welcomed the standardization achieved in respect of the calibres for infantry small arms.

Noting the emphasis being placed on using the technological potential of Alliance members to the best advantage for the development of defence equipment, Ministers urged that continuing attention be paid to assisting the less industrialized member nations. In this context they welcomed the recent leasing by the United States to Turkey of military industrial equipment.

Recognizing the importance of a coordinated air defence programme to the defensive posture of the Alliance, Ministers

welcomed with satisfaction the establishment for this purpose of a NATO Air Defence Committee under the Council.

Civil Emergency Planning—Commitment of Merchant Ships and Civil Aircraft by Member Countries

Ministers took note of progress made in the field and endorsed the action being taken to improve the state of contingency planning

Committee on the Challenges of Modern Society

Ministers noted the annual progress report by the Secretary General on the work of the Committee on the Challenges of Modern Society (CCMS). They received a report on the high-level meeting held in Brussels on 24th November 1980 when seven Ministers of the Environment and other senior officials exchanged views on the environmental planning, the problems posed by the utilization of diversified energy sources and the environmental management of chemicals.

Ministers took note of the completion of a major pilot project concerned with reducing the scale of emissions of sulfur oxide gases into the atmosphere. They underscored the necessity for wide diffusion of Committee's project reports and expressed the hope that recommendations be rapidly integrated into national environmental policies. In addition, they noted with interest the decisions to hold symposia next fall on technology assessment and hazardous waste.

22d Report on Cyprus

MESSAGE TO THE CONGRESS, NOV. 20, 1980¹

In accordance with the provisions of Public Law 95-384, I am submitting the following report on progress made during the past 60 days toward a negotiated settlement of the Cyprus problem.

As was noted in my last report, inter-communal talks between representatives of the Greek and Turkish Cypriots resumed on August 9 under the aegis of United Nations Special Representative Ambassador Hugo Gobbi. Systematic substantive examination of the essential problems dividing the communities began on September 16. The parties have been examining the following general subjects, on the basis of one topic each meeting:

- (A) Resettlement of Varosha under United Nations auspices;
- (B) Promotion of goodwill, mutual confidence and normal conditions;

- (C) Constitutional problems;
- (D) Territorial divisions.

Meetings were held on September 24, October 1, 8, 15, and 31 and November 5, 12. We are encouraged by the fact that the negotiators at these sessions have engaged in serious examinations of their differences and are seeking mutually acceptable solutions. The negotiating atmosphere between the parties has remained congenial.

I am hopeful that the good start achieved by these meetings will develop into sustained negotiations leading to a comprehensive solution. Serious, sustained talks provide the best opportunity for reaching just and lasting settlement of the issues that face Cyprus.

Sincerely,

JIMMY CARTE

¹Identical letters addressed to Thomas O'Neill, Jr., Speaker of the House of Representatives, and Frank Church, Chairman of the Senate Foreign Relations Committee (text from Weekly Compilation of Presidential Documents of Nov. 24, 1980). ■

Convention on Elimination of Discrimination Against Women Sent to Senate

MESSAGE TO THE SENATE,
NOV. 12, 1980¹

With a view to receiving the advice and consent of the Senate to ratification (subject to certain qualifications and possibly to appropriate implementing legislation), I transmit herewith a copy of the Convention on the Elimination of All Forms of Discrimination against Women. The Convention was adopted by the United Nations General Assembly on December 18, 1979 and signed on behalf of the United States of America on July 17, 1980. The report of the Department of State with respect to the Convention is also transmitted for the information of the Senate.

Adoption of this Convention by the General Assembly at the conclusion of its 34th Session in December, 1979, was the culmination of a negotiating process that lasted several years. Throughout this process, the United States was an active participant and a vigorous supporter of a comprehensive and effective international instrument to achieve the elimination of discrimination against women. Although certain earlier human rights treaties relate to the rights of women, none of these previous instruments attempted to deal with women's

rights in as comprehensive a manner as this Convention. The wide scope of the Convention is particularly noteworthy and commendable in that it calls upon States Parties to take "all appropriate measures" to eliminate discrimination against women in such diverse fields of human endeavor as politics, law, employment, education, health care, commercial transactions, and domestic relations. Moreover, the Convention establishes a Committee on the Elimination of Discrimination against Women to review periodically the progress being made by States Parties.

Ratification of the Convention on the Political Rights of Women in 1976 was a recent express affirmation by the Executive and Legislative branches of the U.S. Government that human rights in general and women's rights in particular are matters of legitimate concern to the international community and are not subjects with exclusively domestic ramifications. U.S. ratification of the Convention at hand, the newest of the international human rights instruments, would be consistent with this affirmation and would make clear at home and abroad the commitment of the United States to eliminate discrimination against women.

The great majority of the substantive provisions of the Convention are consistent with the letter and spirit of the United States Constitution and existing laws. However, certain provisions of the Convention raise questions of conformity to current United States law. Nevertheless, the Departments of State and Justice and other interested agencies of the Federal Government concur in the judgment that, with the adoption of certain qualifications and, possibly, appropriate implementing legislation, there are no constitutional or other legal obstacles to United States ratification. The report of the Department of State on the Convention and an attached legal memorandum describe the provisions of the Convention and identify those areas of concern that will require further discussion and treatment.

This Convention is a significant new element in the development of the international law of human rights. By giving its advice and consent to ratification of the Convention, the Senate will confirm our country's traditional commitment to the promotion and protection of human rights and will enhance our nation's ability to achieve progress throughout the world. I hope that all States will become Parties to the Convention, and that it will be applied universally. I recommend that the Senate give early and favorable consideration to this Convention.

JIMMY CARTER

¹Text from Weekly Compilation of Presidential Documents of Nov. 24, 1980, which also contains the President's and Chancellor's remarks to reporters on the South Lawn of the White House following their meeting. ■

¹Text from Weekly Compilation of Presidential Documents of Nov. 17, 1980. ■

as strengthening the CCMS fellow-programme.

Ministers noted that the recent plenary session of the Committee in the context of a general review of projects currently in progress devoted particular attention to technology and earthquake loss reduction. Ministers agreed that recent tragic events in the Philippines gave additional importance to this subject.

Press release 348 of Dec. 16, 1980. ■

President Meets with Chancellor Schmidt

Chancellor Helmut Schmidt of the Federal Republic of Germany visited the United States November 18-21, 1980. Following is the text of a White House statement released at the conclusion of the Chancellor's meeting with President Carter on November 20.¹

President Carter and the Chancellor of the Federal Republic of Germany, Helmut Schmidt, held a thorough consultation in Washington, November 20, during the Chancellor's visit to the United States, November 18 through 21. The President hosted a White House luncheon for the Chancellor and Design Minister Hans-Dietrich Genscher on November 20 in which Secretary of State Muskie, National Security Adviser Brzezinski, and senior officials also participated.

The conversation between the President and the Chancellor covered a wide range of political, security, and economic issues of mutual interest to both countries. The President and the Chancellor agreed on the necessity of continuing these close consultations, including during the transition period, in order to assure continuing full coordination of the policies followed by the two countries on major international issues.

In their conversation the President and the Chancellor agreed on the continued importance of improving NATO's defense posture and of efforts aimed at reaching arms control agreements with the Soviet Union and its Warsaw Pact allies in order to insure a stable military balance.

In their discussion of East-West relations, both sides welcomed the continuation of the CSCE [Conference on Security and Cooperation in Europe] process at the Madrid review con-

ference, to which both governments remain committed. In this context they stressed the right of each country, irrespective of its political or social system, to resolve its problems in free exercise of its sovereignty and without intervention from any quarter. Moreover, they reiterated, with reference to the resolution of the General Assembly of the United Nations, their regret that there is no evidence of Soviet readiness to withdraw its forces from Afghanistan and to seek a political solution of the Afghanistan crisis.

The President and the Chancellor discussed the latest developments in the Middle East. They reviewed the ongoing negotiations in the Camp David framework and stressed the urgent need for progress toward a comprehensive peace settlement.

Secretary Muskie and Foreign Minister Genscher also held a separate meeting earlier in the day.

Western Sahara Dispute

by Harold H. Saunders

Statement before the Subcommittee on Africa of the House Foreign Affairs Committee on December 4, 1980. Mr. Saunders is Assistant Secretary for Near Eastern and South Asian Affairs.¹

There have been some modest developments in the western Sahara dispute over the past 6 months which improve prospects for the negotiating process necessary to develop the terms of a settlement.

As you are well aware, the American Government has sought to encourage all of the interested parties to turn their energies from the battlefield to the peace table. While we are neutral on the final outcome, we are deeply committed to bringing this war to an end so that our friendly relations with all of the countries of North Africa can continue to develop unclouded by the present distractions and complications of the war in the Sahara.

In the deliberations of the Organization of African Unity (OAU) in the past few months and the current U.N. General Assembly, tentative steps have been taken that may begin to lead the protagonists out of their current impasse. Over the past 6 months, we have seen a gradual change in attitudes on all sides which has created an atmosphere and an opportunity increasingly focusing the attention of the interested parties on those successive steps that must be taken if a compromise resolution of this conflict is to emerge.

I emphasize that the process is still highly tenuous and requires careful nurturing. There is no quick and easy solution. The road toward peace—in the western Sahara and elsewhere—will take the parties over some rough terrain as they maneuver to defend what they perceive to be their vital interests.

international consensus on human rights. Through it, the members of the United Nations undertake to promote, respect and observe human rights and fundamental freedoms for all without discrimination. We must continuously monitor the progress of this effort and the records of governments around the world.

The promise of the Declaration is remote to all those who suffer summary executions and torture, acts of genocide, arbitrary arrest and imprisonment, banishment, internal exile, forced labor and confinement for political cause. It is remote to the countless refugees who flee their lands in response to the elimination of their human rights. It is remote to those subjected to armed invasions or to military coups that destroy democratic processes. The Declaration will ring hollow to that segment of a population discriminated against by laws of *apartheid* or by restrictions on religious freedom. It will ring hollow to those threatened by violations of freedom of assembly, association, expression and movement, and by the suppression of trade unions.

The Declaration must also ring hollow to the members of the U.S. Embassy staff who have been held captive for more than a year by the Government of Iran.

The cause of human rights is embattled throughout the world. Recent events make it imperative that we, as Americans, stand firm in our insistence that the values embodied in the Bill of Rights, and contained in the Universal Declaration, be enjoyed by all.

U.S. Relations With the Parties

Our relations with the parties to the dispute bear directly on our ability to work with them toward a solution. Today, partly as a result of our decision to sell certain types of arms to Morocco, our measure of influence with Morocco is increased to the point where we can cooperate in constructive steps, most recently the Moroccan-sponsored resolution at the United Nations.

At the same time, we have increased the intensity of our contacts with Algeria, especially on the question of our hostages in Iran. We believe such cooperation in one field will make it easier for us to work together in others. Also, we have established contacts with the Polisario, first in a meeting in Washington last spring, then by a visit to Polisario refugee camps in Algeria within the past week.

Establishing a Negotiating Process

As you know, the OAU has played an important role in trying to work out a compromise solution. Arising out of a decision taken by the OAU summit

I urge all Americans to support ratification of the Genocide Convention, the Convention on the Elimination of all Forms of Racial Discrimination, the Covenant on Economic, Social and Cultural Rights, the Covenant on Civil and Political Rights and the American Convention on Human Rights. I renew my request to the Senate to give advice and consent to these important treaties.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America do hereby proclaim December 10, 1980, as Human Rights Day and December 15, 1980, as Bill of Rights Day, and call on all Americans to observe Human Rights Week beginning December 10, 1980. It should be a time set apart for the study of our own rights, basic to the working of our society, and for renewal of our efforts on behalf of the human rights of all peoples everywhere.

IN WITNESS WHEREOF, I have hereunto set my hand this fourteenth day of November, in the year of our Lord nineteen hundred and eighty, and of the Independence of the United States of America the two hundred and fifth.

JIMMY CARTER

¹No. 4804 of Nov. 14, 1980 (text from Weekly Compilation of Presidential Documents of Nov. 17). ■

Bill of Rights Day, Human Rights Day and Week, 1980

A PROCLAMATION¹

On December 15, 1791, the Bill of Rights became part of the Constitution of the United States. On December 10, 1948, the United Nations General Assembly adopted the Universal Declaration of Human Rights. Marking these anniversaries together gives us an opportunity to renew our dedication both to our own liberties and to the promotion of human rights everywhere.

The Bill of Rights carries with it an implied responsibility for the governed as well as for the governing. No American citizen can rest satisfied until the Bill of Rights is a living reality for every person in the United States, irrespective of race, religion, sex, national or ethnic origin. We cannot simply rely on the decency of government or the alertness of an active free press. Each individual must shoulder his or her share of the responsibility for seeing that our freedoms will survive.

The Universal Declaration of Human Rights is the cornerstone of a developing

ing last July, the OAU's ad hoc
 mission committee on the western
 Sahara (more commonly referred to as
 the Wisemen Committee) met in
 Algiers and approved a peace plan
 for an immediate cease-fire by
 September 15, return of the Moroccan
 Polisario forces to their base
 and a U.N. peacekeeping force to
 supervise the cease-fire, and an OAU
 referendum assisted by the United Na-
 tions on the issue of the future political
 status of the western Sahara. For the
 first time, all of the interested par-
 ties—Algeria, Mauritania, Polisario,
 and representatives of Saharan
 organizations in the western Sahara, in-
 cluding Morocco—attended this session
 of the Wisemen Committee even though
 negotiations took place among
 interested parties.

Morocco, which regards itself as
 a grievous party to Polisario attacks
 on Moroccan proper, readily accepted
 the OAU call for an immediate cease-
 fire but expressed reservations about
 a referendum, while the Polisario sup-
 ported a referendum but refused to ac-
 cept a cease-fire until Morocco agrees
 to enter into direct negotiations.

Algeria, for its part, maintained its
 position that it was not a party to the
 dispute: even though the Polisario is
 receiving assistance and asylum by the
 Algerians. It is widely anticipated that
 the current OAU initiative does not
 indicate substantial progress toward a
 negotiated settlement by next June—
 when the 1981 OAU summit will take
 place. The Polisario will be admitted to
 the OAU. This may lead to increased
 international assistance to the Polisario and
 further isolation of Morocco.

Further developments occurred
 during consideration of the western
 Sahara issue by the U.N. General
 Assembly's Fourth Committee last
 month. The resolution supported by
 Algeria passed easily, criticizing Moroccan
 occupation of the western Sahara
 and calling for direct negotiation
 between the Polisario and Morocco
 leading to self-determination and "in-
 dependence." By referring to "independ-
 ence" and to the Polisario as "represen-
 tative of the people of the western
 Sahara," it seemed to us that this
 resolution prejudged the issue and to
 a large degree contradicted the Wisemen
 Committee's recommendation for a referendum
 which would allow the inhabitants of
 the western Sahara to express their
 preferences.

The Moroccans offered a resolution
 which supported the initiatives of the

U.S., Israel Settle Claim on U.S.S. *Liberty*

DEPARTMENT ANNOUNCEMENT,
 DEC. 17, 1980¹

The U.S. Government has accepted the
 proposal by the Government of Israel
 to pay \$6 million in three annual install-
 ments of \$2 million each, beginning on
 January 15, 1981, as final settlement of
 the U.S. claim for compensation for
 damage to the U.S.S. *Liberty* as a
 result of actions of the Israeli Armed
 Forces on June 8, 1967.

The Government of Israel paid in
 full in 1968 the U.S. claim for \$3,323,500
 on behalf of the families of the crew-
 men who were killed in the incident,
 and in 1969 the Government of Israel
 paid in full the U.S. claim for \$3,452,275
 for injuries sustained by the members
 of the *Liberty's* crew.

¹Read to news correspondents by
 Department spokesman John Trattner. ■

Wisemen Committee. We would have
 liked to have seen specific reference to
 the core elements of the Wisemen's rec-
 ommendations. However, in a statement
 the Moroccan delegate said: "Morocco is
 cooperating and will continue to coop-
 erate diligently with the ad hoc commit-
 tee to implement its mandate of Free-
 town, particularly as it relates to the
 free choice of the population." We con-
 sidered this statement a significant
 step forward and, on the basis of it,
 supported the Moroccan draft resolu-
 tion.

Future Prospects for Negotiation

Although the Moroccan draft resolution
 was defeated by one vote, we followed
 up with bilateral discussions with both
 the Moroccans and Algerians to explore
 how the recommendations of the Wise-
 men Committee could be implemented.
 We have also sought to elicit from
 various members of the OAU their sug-
 gestions for maintaining the momentum
 set in train by the September resolu-
 tions of the OAU Wisemen Committee.
 There are a number of questions which
 might be usefully addressed in this
 regard. How would a referendum be
 carried out? How would one establish
 voting eligibility? Which institutions

would be best equipped to carry out a
 referendum? Would it be useful for the
 OAU to establish a subcommittee of
 experts to work out some of these
 details?

We do not embrace any particular
 solution to the conflict, although the
 OAU call for a cease-fire and a referen-
 dum does appear to us as a useful basis
 upon which to move forward. As a
 result of my discussions with interested
 and concerned parties, I note a height-
 ened interest in accelerating the peace
 process. Compared with the situation a
 year ago, I believe that we can take
 some satisfaction in the progress that
 has been made.

- The interested parties have met with the OAU subcommittee.
- The complexities involved in reaching a peaceful solution have been brought out more clearly.
- The OAU has laid down general principles which could serve as the basis for a settlement.
- And most important, the inter-
 ested parties seem to have come to an
 awareness of the urgency of embarking
 on negotiations as the only way out of a
 stalemate on the battlefield.

Nevertheless, the principal parties
 remain far apart on their demands. We
 believe a process of peace is required to
 bring about a convergence of views.

Military Situation

While the military situation in the past
 year has improved for the Moroccans
 and they appear able to hold their con-
 trol of the principal towns in the west-
 ern Sahara, Polisario attacks continue.
 Thus the war of attrition continues
 without any indication that either side
 has reason to hope for a military vic-
 tory.

We have been particularly con-
 cerned about Polisario attacks deep into
 Morocco's southern provinces which in
 some instances could have shifted the
 locus of the fighting toward the
 Moroccan-Algerian border. In talks
 with both Algeria and the Polisario, we
 have attempted to discourage especially
 attacks outside of the disputed terri-
 tory. There are some indications that
 our concern has been fruitful. Reports
 of increased Polisario movement in
 Mauritania and the role of Libya are
 also of concern to us. We do not believe
 that either Morocco or the Polisario has
 won—or can win—a decisive advantage
 on the battlefield. Therefore, our

original premise that the war is unwinnable in any ultimate sense is still valid. That fact, of course, should be an added incentive for encouraging the interested parties to reach a compromise settlement.

Status of U.S. Arms Sales to Morocco

I would like to end my remarks with a few comments on the status of U.S. arms deliveries to Morocco. With regard to the arms package which was approved earlier this year, consisting of 6 OV-10 reconnaissance aircraft, 20 F5-E fighter aircraft, and 24 helicopters, none of these items has yet been delivered to Morocco. There is some question whether the Moroccans are still interested in the purchase of the helicopters, and a delivery schedule is still pending. The first fighter aircraft deliveries should commence in mid-1982. Morocco has made a request for the sale of 108 M-60 tanks, and it is under review in the Department.

Conclusion

The western Sahara conflict is a complex issue in which our North African friends are themselves divided. It is our hope that the United States will continue its role of encouraging the interested parties to concentrate on the negotiating process itself and that out of the give and take which such a process involves, a compromise settlement will emerge.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Law of the Sea

by George H. Aldrich

Address before the National Association of Manufacturers in San Francisco on December 9, 1980. Mr. Aldrich is Acting Special Representative of the President for the Law of the Sea Conference.

In the course of my present assignment, I have met many Americans who are involved in one way or another with our mineral industry or are concerned about our future access to minerals. These have not all been the most friendly of encounters, despite the fact that I share many of these concerns. Often I find myself facing questions as to why we have permitted our future access to the mineral resources of the deep seabeds to become hostage to a U.N. Conference on the Law of the Sea. The clear implication of many of these questions and the comments that often accompany them is that our government, either through naivete or duplicity, is playing fast and loose with our economic security in order to curry favor with the Third World. While I am sure that none of you share any of these delusions, the purpose of my remarks today is to explain why they are delusions—just in case.

To understand the effort in which we are engaged in the Law of the Sea Conference and our goals with respect to deep seabed mining, it is necessary to review, at least briefly, both the history of the efforts since the Second World War to codify and develop the international law governing uses of the oceans and the legal problems and requirements of a pioneer industry facing up to the task of exploiting the mineral resources of one of the world's common areas, the seabeds beyond the limits of national jurisdiction. In a very real sense, it is the interaction of these two lines of development and their not easily compatible imperatives that defines our present struggle to obtain assured access to seabed resources as part of a comprehensive treaty on the law of the sea.

Historical Background

Postwar efforts to develop and codify the international law of the sea have resulted in three U.N. conferences. The first produced four conventions adopted

in 1958—one concerning the high seas; another the Continental Shelf; a third, the territorial sea and contiguous zone; and the fourth, fishing and the conservation of the living resources of the high seas. The second U.N. conference failed, in 1960, to reach agreement on the major question before it—the maximum permissible breadth of the territorial sea. The third conference is now in its eighth year and, if successful, will establish a new and comprehensive legal regime for the oceans.

Let us pause a moment to consider why the nations of the world have needed three successive conferences and why, even after all this effort, success, although likely, is still in the future.

The 1958 conventions were designed in part to bring an end to "creeping jurisdiction," the steady expansion of claims by coastal states to exercise jurisdiction off their coasts. To be successful, they would have to have been generally accepted or at least complied with by most, if not all, coastal states and they would have to have imposed limits on the breadth of the territorial sea and on the extent of the jurisdiction that could be exercised by coastal states. Unfortunately, they failed on all counts, and the years since 1958 have seen a steady growth of coastal state claims of sovereign rights, particularly over offshore resources.

The High Seas Convention, which was the most widely accepted of the four 1958 conventions, has only 56 states party to it, whereas there are 118 states participating in the third U.N. conference. Almost all of the major maritime powers became party to the convention, but most of the coastal states stayed out and led the fight for expanded jurisdiction.

For the United States, maritime freedoms have historically been more important than offshore resources. In the past 35 years, however, the United States has become increasingly aware of the importance of the natural resources off its coasts: first, of the oil and gas under the Continental Shelf and, more recently, of the coastal fisheries. Nevertheless, despite these increasing concerns with our offshore resources, the United States remained very much aware of its dependence on the unimpeded passage of ocean com-

and of its security needs for free-
of naval navigation and overflight
throughout the oceans, including the
of straits. Our increasing and
fortunate dependence on imports of
oil have reinforced these needs.

In the late 1960s, the United States
with the Soviet Union and some
major maritime powers to pro-
renewed efforts by the United Na-
to develop and codify the law of
in ways that would be univer-
sally accepted and would effectively
bring to an end the rapid expansion of
national state jurisdiction. Simulta-
neously, other voices in the United
Nations were calling for international-
ization of ocean space beyond national
jurisdiction. These separate efforts re-
sulted in the establishment, first, of a
Seabed Committee and, subse-
quently, of the Third U.N. Conference
on the Law of the Sea.

This third conference quickly de-
cided that the convention it hoped to
produce would be comprehensive—
dealing all aspects of the law of the
sea. Unlike the conventions of 1958,
which divided the subject into discrete
territories, the new law was to be a
“package deal” dealing with navigation,
resources, pollution, and international
relations. While this made the nego-
tiating task harder by requiring success
on all fronts, it tended to insure that
the results would be accepted univer-
sally. The coastal states would agree to
provide navigational protections and the
limitation of territorial seas to 12 miles
in breadth in return for the recognition
by other states of 200-mile economic
zones, and all states would feel com-
pelled to become parties in order to
participate in the new international or-
ganization created to manage the re-
sources of the deep seabeds, which were
beyond the national jurisdiction and
which had been declared by the U.N.
General Assembly in December 1970, by
a unanimous resolution, to be “the com-
mon heritage of mankind.” This is how
the search began for the comprehensive
“package deal.”

Seabed Mining's Special Problems

Now let us turn our attention to the
special problems of resource recovery
from an area beyond national jurisdic-
tion and the alternatives available to us
in dealing with such an area, which we
shall refer to as a part of the commons
of the world—that is, those areas be-
yond the jurisdiction of any nation
and available for the use of all.

These commons are: first, the
oceans, including the bottom of the
oceans—that is the seabeds—beyond
the limit of national jurisdiction; sec-
ond, outer space, above the limits of na-
tional jurisdiction (wherever that may
be); and third, Antarctica, although one
must note that some states have still
preserved their territorial claims to
parts of Antarctica under the Antarctic
Treaty regime which has made it possi-
ble to continue scientific activity in
Antarctica without resolving disputes
over the legal status of that territory.
These common areas, particularly the
oceans and outer space, have been re-
ferred to as the “common
heritage of mankind,” but there is
nothing magic in the name; it is their
location beyond the jurisdiction of any
nation that gives them their special
characteristics.

There are, in my judgment, only
two ways of treating these common ar-
eas for legal purposes: Either we can
consider them available for national ap-
propriation, like North and South
America in the 15th to 18th centuries,
and Africa in the 19th century, or we
must consider them not available for
national appropriation, like the high
seas since at least the days of Hugo
Grotius.

The United States, along with vir-
tually all other states, has given con-
sistent support to the second of these legal
approaches during all the years since
the end of the Second World War. We
have done this, it is fair to say, because
we were convinced that this was the
better approach in our own interests
and in the interests of world order and
the avoidance of unnecessary conflict.

Difficulties in the use of the world's
commons are likely to arise only when
some states want to exploit some of the
resources of these common areas. There
has been exploitation of the living re-
sources of the high seas for many years
without major difficulty, although it has
been found necessary to create a num-
ber of international organizations to co-
ordinate conservation efforts such as
the protection of marine mammals.
Significant problems, however, arise
wherever exclusivity of access to a par-
ticular site becomes necessary. By
definition, an area beyond national ju-
risdiction is one to which no national
authority can accord such exclusive
rights. With respect to the resources of
the seabeds, although in our view they
are available, like fish, to all states on a
first-come, first-served basis, as a prac-
tical, economic matter, that simply isn't

good enough for seabed miners. Miners
the world over and their bankers re-
quire an exclusive right to an ore body
before investing in the recovery and
processing of the ore. It seems clear
that considerations of this type would
force the deferral of mining activities
in these seabed areas until exclusive ac-
cess to particular sites could be ac-
corded. I think it is self-evident that
where exclusivity of access is essential
in areas beyond national jurisdiction it
can only be conferred by international
agreement among at least most of the
interested states.

This fundamental point may have
been somewhat obscured by the con-
gressional debates of recent years on
seabed mining legislation; and there
may be some, particularly in the Con-
gress, who really believe that the en-
actment of the legislation in June of
this year will result, without more, in a
rush of investment and the early ex-
ploitation of deep seabed resources.
Certainly the enactment of the legis-
lation gave an important psychological
boost to the fledgling industry, and we
are hopeful it will encourage the con-
tinuation of further necessary research
and development efforts. But I have
seen nothing to indicate that this
legislation—even when supplemented
by similar and reciprocal legislation by
other states with the greatest present
interest in seabed mining—would pro-
vide a sufficient legal framework to per-
mit the industry to move forward
quickly to commercial production. This
is not to suggest that commercial recov-
ery of deep seabed mineral resources
will never occur if an international re-
gime capable of granting exclusive li-
censes is not created. Never is a long
time. But it does seem almost certain to
me that the failure to create such an
international regime would long delay
seabed mining, perhaps by a quarter
century or more. If there is a substan-
tial risk that this judgment is correct,
then there should be no doubt about the
urgent need for an acceptable inter-
national legal regime for the ex-
ploitation of deep seabed minerals.

Seabeds and the “Package Deal”

Since 1970, a key part of the search for
the “package deal” in the Seabed Com-
mittee and in the conference itself has
been the terribly complex effort to cre-
ate a new international organization—
the International Seabed Authority—to
regulate access to seabed mineral re-

sources and to provide the exclusive legal right that prospective miners need. In fact, this turned out to be the most elusive of the necessary elements of an acceptable "package deal." The vital freedoms of navigation and overflight in straits, exclusive economic zones, and archipelagic waters have been agreed for years. The final compromises on the nature and limits of coastal state jurisdiction over the resources of the 200-mile economic zone and the Continental Shelf and the control of marine pollution were hammered out sometime ago. However, only last summer were the last major issues settled with respect to the seabed mining regime. Only now is it possible to reach meaningful conclusions about the emerging seabed regime.

The time available today does not permit me to summarize all of the elements of the seabed regime as found in the new draft convention. I have decided to concentrate on those provisions dealing with access to seabed mineral resources—the provisions that tell the potential investor what steps he would have to take, and the provisions he must analyze to determine what risks he would run and what are the chances of something going wrong with his access.

There is one point I must emphasize at the outset of this summary. It is patently impossible to negotiate at a conference of some 150 countries and to include in a treaty all the detailed rules and regulations necessary to insure the proper functioning of the International Seabed Authority. The preparation of these rules, regulations, and procedures will be the task of a Preparatory Commission, to be established soon after the treaty is signed and to work full time for several years. Industry will have to be intimately involved in this process, and the work done by industry and the Department of Commerce during the coming year under our recently enacted Deep Seabed Hard Minerals Act should give us a great advantage in that Preparatory Commission. The rules developed there can be changed by the Authority later only if there is a consensus in the 36-nation Council. Any final judgments by the United States on the acceptability and viability of the treaty's mining regime must await these rules.

Assured Access

To be assured of access to the opportunity to engage in deep seabed mining, a prospective miner who has the necessary capital and know-how must be assured that the International Seabed Authority's contract approval process is fair, clear, and well-nigh automatic. The criteria spelled out in Annex III of the treaty satisfy this requirement. An applicant has only to be sponsored by a state party and to satisfy the financial and technical qualifications spelled out in the regulations. His plan of work must fulfill the specifications with respect to such matters as size of area, diligence requirements, and mining standards and practices, including those relevant to protection of the marine environment, that will also be set forth in the regulations. If these requirements are met, his plan of work *must* be approved; there is no discretionary basis for its rejection.

The determination that the applicant and his plan of work do in fact comply with these criteria is the job of the Legal and Technical Commission. The Commission will have 15 members elected to 5-year terms by a three-fourths vote of the 36-member Council from among candidates nominated by states parties who meet the "highest standard of competence and integrity with qualifications in relevant fields." The Commission is obligated to base its recommendations solely on the provisions of Annex III and to report fully to the Council. The majority required for decisions by the Commission is to be established in the rules, regulations, and procedures of the Authority, and I expect our representatives on the Preparatory Commission to insist that this must be no more than a simple majority.

Any plan of work which the Commission finds consistent with the requirements of Annex III will be deemed approved by the Council within a fixed time unless the Council decides—by consensus—to disapprove it. While we would have preferred the "deeming" device to apply regardless of the Commission's findings, the Conference—understandably, I think—felt that some organ of the Authority would have to attest to conformity with the applicable standards of Annex III. Doubtless this would also have been true of the simple licensing system originally advocated by the industrial countries. The automaticity of the system could only be

frustrated if three-fourths of the members of the Council make a conscious and determined effort to elect unsuitable Commission members who will ignore the requirements of the treaty.

The Production Ceiling

Although we were able to get agreement in Geneva that approval of a plan of work should no longer be tied to the availability of a nickel production allotment, the timing of access still depends on the authorization of production under the ceiling. Certainly from an economic point of view it makes no sense to limit arbitrarily production of a mineral from one source and not from others. There is no reason to believe that seabed resources will be cheaper to recover and refine than land-based resources—quite the opposite, at least during the first several decades in which the seabed minerals industry is developing. But even if they were cheaper, why shouldn't we let them take over markets from the more expensive competition? Consumers deserve a break; they seem to get few enough these days.

Unfortunately, however, we are trying to produce a universal treaty—one that will be accepted by virtually all coastal and maritime nations, and that large group includes a number of countries that produce either nickel, copper, cobalt, or manganese, and an additional number that think they might become producers in the not-to-distant future. Those countries must, they are to accept the Law of the Sea Convention, be able to show that their producer interests are protected, at least for an interim period. Moreover, the interest of most developing countries as consumers is minimal, for they do not yet have the industry to be major consumers. Most developing countries tend to sympathize with and be protective of raw material producers, a tendency that has been encouraged fully by Canada, the leading nickel producer. Thus, it has long been clear that there could not be a generally accepted Law of the Sea Convention that does not contain an interim production ceiling. As now formulated, the production ceiling is not likely to bar access for any qualified miner. The amount of permitted production is substantial, a "floor" has been added, and the constraint on seabed production is limited in duration.

Because the formula in the text is based on a projection forward of past trends, it is impossible to predict exactly what level of production will be achieved during the 15 years the limit is in effect, apply. But on the basis of the Bureau of Mines' mid-range projection of the growth in nickel consumption during the balance of this century (3.4%) and the earliest practicable start-up date for commercial production (1988), the first group of miners to apply for production authorizations could produce annually an aggregate of about 200,000 tons of nickel. Hereafter, the limit for the industry as a whole would increase so that after 5 years, in 1992, 320,000 tons could be produced; after 10 years, 490,000 tons; after 15 years, 590,000.

In fact, the 15-year trend line growth rate for nickel consumption is currently about 3.9%, and if that rate were extended into the future, the tonnage allowed to seabed mining would be considerably higher. If future growth should turn out to be lower than anticipated, the full effect of the drop would be felt because of the "floor" provision in the formula. This substitutes a minimum 3% growth rate for any actual rate lower than 3%. Even if the growth rate fell as low as 2.2%, seabed miners could—if they thought they could make money in the kind of economic climate implied by such a disintegrating trend—still supply up to 18% of the nickel market in the first year of production and up to 36% by the 15th year. Notwithstanding the share of production taken up by the Enterprise, seabed mining alone or in joint ventures, there would still be sufficient tonnage under a reasonable set of assumptions to ensure that private miners would get their authorizations when they need them. It is thus probable that market forces, not the production limitation formula, will determine how much nickel and, therefore, how much copper, cobalt, and manganese, will be produced by the first generation of seabed mining projects.

Seabed mining is a pioneering venture. So too is the effort of the world community to base the structure of an international seabed regime on the position that the global commons should not be subject to the jurisdiction of any one state. It has been a difficult undertaking, the building of this structure,

Soviet Invasion of Afghanistan

PRESIDENT'S STATEMENT,
DEC. 24, 1980¹

One year has passed since the Soviet Union launched its brutal assault on its small, nonaligned neighbor, Afghanistan. On December 27, 1979, Soviet paratroopers seized key Afghan institutions in Kabul, including the Presidential Palace, where President Amin was then killed. The Soviets installed a puppet government under the nominal leadership of Babrak Karmal, who was in the Soviet Union at the time.

The tragedy that has continued to unfold in Afghanistan over the past 12 months weighs heavily on all Americans. We have watched the Soviet Armed Forces employ massive firepower and increasingly brutal tactics. We have seen the ranks of Afghan refugees fleeing devastation and political and religious oppression at home swell to more than 1.2 million in Pakistan alone. And amid this grim spectacle, we have been heartened to witness the brave resistance of the Afghan people, who have continued their struggle for independence and the right to determine their own political future.

The Soviet invasion of Afghanistan and attempted forceful occupation of that fiercely independent, nonaligned,

Muslim nation has had a profoundly negative impact on the international community. An overwhelming majority of member states of the United Nations demanded the immediate withdrawal of foreign troops from Afghanistan in a special General Assembly session in January 1980. An increased majority reiterated this demand following careful General Assembly consideration of the Afghanistan issue last month. The 40-member Islamic conference has been particularly forceful in condemning Soviet actions and in seeking an appropriate political solution. If the Soviet leaders expected that the world would avert its eyes and quickly forget their aggression in Afghanistan, they have been disappointed.

We urge the Soviet Union to respond to those nations urging withdrawal of Soviet military forces and inviting Soviet cooperation in the search for a political solution to the Afghan crisis. For our part, we have offered to join in the effort to find a political solution involving a Soviet withdrawal, and we repeat that offer today. The suffering of the Afghan people must be brought to an end.

The Afghan people and their struggle have not been forgotten and will not be forgotten by the rest of the world. We call on the Soviet Union to work with us and others in finding a way to bring peace to that tormented nation.

¹Text from Weekly Compilation of Presidential Documents of Dec. 29, 1980. ■

the most difficult I have ever been a part of. But the same pioneering spirit and the same confidence in the future that have brought seabed mining and the seabed mining regime so close to reality can also assure a harmonious relationship between the two. And we must not forget that the recovery of seabed mineral resources is not only important as a potential source of minerals; it is also the remaining linchpin in the whole Law of the Sea Convention—the last major item in the long sought "package deal." Given the

distance we have come and the interests at stake in the success of this vast undertaking, we cannot fail to finish the job. Pioneering ventures are difficult enough in a stable legal order. Without law—without this new comprehensive legal system for the oceans—seabed mining will be only one of the victims of the more chaotic and dangerous world that would result. This we cannot permit. ■

The United Nations and U.S. Policy

by Richard L. McCall

Address before the Harvard Model United Nations in Cambridge, Massachusetts, on December 4, 1980. Mr. McCall is Assistant Secretary for International Organization Affairs.

Pollsters have taken a pretty bad shellacking lately—they, therefore, may not be the most authoritative source to establish my basic premise for this discussion. The point is, however, that contrary to conventional wisdom, public perception does support the notion that there is room for the United Nations in American foreign policy. According to recent polls by Gallup and Roper, Americans by a two-to-one margin want to increase U.S. participation in the U.N. system.

Nonetheless, the consumers of conventional wisdom continue to purport that American public support for the United Nations is on the decline and, accordingly, we ought to be reducing our financial assistance to the U.N. family. In dollars and cents terms, these advocates of retrenchment have succeeded to a considerable extent. Thirty years ago, the United States contributed almost one-half (47.5%) of the United Nations' budget. Today, our share is only 25.6%, a little over \$1 billion, about \$4 for each American—less than what each of us spent to see the movie "Apocalypse Now."

Along with this less than adequate performance, outlays for programs, such as foreign aid, which are critical in creating a more harmonious international community, have also declined over time and in comparison with other countries. For example, in the past 15 years, the net U.S. official development assistance decreased from 0.49% of our GNP to 0.17%. In contrast, the total development assistance effort of other traditional aid-giving countries has increased five-fold during the same period.

Why the discrepancy between our professed beliefs and our willingness to provide adequate financial resources which would reinforce these beliefs?

There are probably lists of reasons for it, none of them fully explanatory but each of them sufficient to raise doubts. Perhaps in its genesis,

we have ascribed greater hopes to the United Nations than it could possibly fulfill in our lifetimes. Idealistic measuring sticks are bad bases for judgment.

The U.N.'s Record

Almost 30 years ago when the United Nations was created, it was seen as the great global instrument that would banish forever the scourge of war. Since then, there have been at least five major military conflicts on the average every year. As we celebrate the 35th anniversary of the United Nations' founding, a war is going on unabated between Iraq and Iran, violent conflicts continue in at least four areas in Africa, direct Soviet, or Soviet-backed, military interventions violate the sovereignty of three countries in Asia, and civil strife has taken 8,000 lives in El Salvador this year alone. Annually, the world spends over \$400 billion on armaments and as many as 35 countries (and even terrorist groups) could have nuclear weapons by the end of this century.

Thirty years ago nations pledged to adhere to the Universal Declaration of Human Rights. Today there are some 16 million refugees, one-fourth of this Earth's population is malnourished, and millions face starvation. Torture and imprisonment have remained convenient tools of governance irrespective of race, religion, or sex.

The United Nations has had a checkered history in the peaceful resolution of conflicts. It was either impotent to act, as in the cases of repeated Soviet aggression in Hungary, Czechoslovakia, and Afghanistan, or fearing impotency did not even get involved, as in the case of recent African wars. It has become bogged down in negotiations on the global economy, and its impact on global arms control is more exhortatory than real.

For a country that has placed so much faith in the imperatives of world order, that has spent so much effort and sacrificed so much for it—these are indeed legitimate causes for disappointment. It is not surprising then that the majority of Americans are critical of the United Nations—

53% according to the polls—for fall short of their hopes and expectation about resolving international problems.

Falling short, however, is not the same as failure. As we acknowledge shortcomings—serious shortcomings—let us also be mindful of certain facts and salient achievements.

The United Nations has become truly universal organization. Its membership, tripling since its founding, now numbers 154 nations. Its budget has increased 16 times; its agenda has grown by leaps and bounds to encompass practically all aspects of international behavior. The General Assembly, which was once an annual affair, has become for all practical purposes—counting all the special emergency sessions and full membership conferences—a year-round meeting. The Security Council, which had fallen into such disuse in the 1950s, meeting 5 or 10 times a year, now meets on the average of 100 times a year.

The United Nations has become the source of innovative measures to reduce international tensions. Peacekeeping forces—not even envisioned the original charter—are in place in Cyprus and the Middle East. These forces have prevented local conflicts from festering into major wars and have been some of the United Nations' least heralded success stories.

The United Nations has had a steady, calming, and steering presence in the greatest transformation of the political geography of this Earth—aiding formerly colonized people to achieve independence without major conflicts and in a relatively orderly fashion.

The United Nations' purview of what constitutes threats to collective security has expanded to include global economic security. At the present, almost 90% of its resources are devoted to this task—to development, to environmental protection, to international trade, finance, investment, and to other measures of economic, social, cultural, and scientific cooperation. Through its specialized agencies and programs, the United Nations has increased concessional assistance to developing countries in the past decade.

less than \$500 million to over \$1 billion. Together with the multilateral development banks (such as the World Bank and the regional banks) it has been the channel for the growth of the flow of resources to the Third World from less than \$1 billion to \$10 billion annually in that same period.

The United Nations has had a pioneering role in setting standards and rules that make the life of all of us more secure, healthier and better—in international aviation; in communications; in the protection of the environment; in the husbandry of our resources in the deep seas and in outer space; in the promotion of health standards; and in the entire range of protection of civil, political, social, cultural, and economic rights.

The list is almost endless, and I have not such selective illustrations I have probably failed to mention some very important ones. There is little question that the United Nations has become the central forum for diplomatic activities of many small countries; through its direct and joint overall development efforts it has transformed formerly "basket case" countries into food sufficient states. It has been a major facilitator for American investment and export, and its network of solidarity among labor groups gave birth to concrete measures to make life better for the workers. And perhaps more than any other international institution it has successfully promoted women's rights.

Such is not a record of failure. I do not, however, want to dwell too long on what the United Nations has not failed to do in making my point about the challenges we must confront today and in the future. The United Nations will certainly remain the arena of conflict between East and West as it has also come center stage in the continuing dialogue between North and South. Yet it must also become a springboard for our collective efforts to address the common problems which this entire planet faces in the decades ahead. Permit me to focus on the critical role of the United Nations in the context of the East-West rivalry, the North-South relationships, and in light of the prospects we hold for the future.

East-West Relations

The past year bore witness to portentous events in world affairs, events that have neither run their full course nor are they as yet fully predictable in their outcome. We see the flagrant violation of the most elementary norms of international diplomatic practice and decency in Tehran; the naked aggression against the people of Afghanistan, Kampuchea, and Laos; the unceasing armed conflicts in the Horn of Africa; war and renewed threats to peace in the Middle East; and the current crisis in Poland. Each of these events has posed and will continue to pose major obstacles in the path of reasoned relationships between the Soviet Union and the United States.

Each event in direct or in subtle ways affects or is affected by the state of relationships between the two giant nuclear powers. We need not be so Pollyannaish as to presume that global interests always coincide with ours, but we need not be so simple-minded, either, as to assert that every threat to our interest is automatically a net gain for the Soviets.

The recent Soviet globetrotting from Angola to Grenada does not exactly reveal great success for their brand of adventurism. Nor does the emergence of numerous and busy Russian advisers in the area, now called the arc of crisis, suggest the tip of the iceberg of some grand plan of world domination. It does, however, point to the Soviet propensity of opportunism: to take advantage of the opportunities created by the correlation of forces and to extend their sphere of influence.

In the coming years, I am sure, there will be a lot of rethinking and debate about the appropriate American foreign policy stance toward such Soviet behavior. One thing is, however, certain; we will either have to confront them at a point or place of their own choosing—once they are already on the move—or, alternately, work for a world order in which the correlation of forces does not favor them.

Which approach is more expensive, more risky, I leave to your imagination and common sense. Today we spend about 5% of our GNP on defense purposes and there are persuasive arguments to increase this to

7%. At the same time, we devote less than 0.05% of our GNP to the United Nations, and there are some who consider even this little amount to be too much. But the arguments about the appropriate level of defense spending is not my issue here. My point is that it is reasonable to assume that a stronger United Nations would be more capable of dealing with political upheavals and tensions.

In several recent instances, the United Nations has proven to be the preferred instrument with sufficient international support to lead the search for political solutions to international problems. In each case, this approach also closed the door on Soviet mischief.

- The United Nations provided the mechanism through which a peaceful resolution was found to the challenge of majority rule and independence for Zimbabwe.

- The Security Council resolutions laid the basis for the successful Camp David negotiations leading toward greater peace between Egypt and Israel.

- Continuing efforts for the peaceful settlement of disputes in southern Africa, specifically Namibia, could not go forward without the leading role of the United Nations.

I do not intend to suggest that the United Nations can always act as a great buffer against Soviet designs. Realism dictates that we accept the limits imposed on the United Nations' ability to act in every case. But I do suggest that the United Nations can have a tempering influence on Soviet behavior and can serve, as it has served in the past, as a forum of diplomatic initiative to avoid direct East-West confrontations.

North-South Dialogue

In 1945, the United States emerged indisputably as the most powerful and influential nation on Earth. We shaped the United Nations in our own image and likeness and provided for it the necessary economic muscle. Over time, we were the principal architect of the International Monetary Fund to insure monetary order and stability; of the World Bank to promote the reconstruction of Europe and economic growth all over the world; and of the General Agreement on Tariffs and Trade to stimulate world trade.

For a while these worked ideally. We commanded the primary influence because the United States accounted for 60% of the world's industrial production and 50% of its monetary reserves. But this is no longer the case. Only 30% of the world's industrial production and less than 7% of its monetary reserves are ours today. Western Europe and Japan have emerged as major and competitive economic powers. Cartels, such as the Organization of Petroleum Exporting Countries (OPEC), drastically rewrote the rules of global economy. And a new bloc of nations, the Third World, emerged demanding a fairer share and a greater voice in the world economy.

It is this new bloc, comprised of the developing countries, that commands majorities in the United Nations and demands attention to its own priority—a new international economic order. It wants systemic changes in the world monetary system, greater resource transfers from the industrialized countries, better access to technology, and a greater voice in international economic decision making.

The developing countries' demands do not always make economic sense, but there is a ring of justice in their call. After all, they comprise a substantial majority of the world's population but receive only 15% of the global income. Yet they are vitally important to the industrialized countries. The dependence of the North on the oil supplies from the South only dramatizes but does not complete the picture of how mutually dependent—indeed interdependent—we have become. And the dynamics of this interdependence also imply a condition of mutual vulnerability which begs for intensive search and drastic resolution of the outstanding differences.

The welfare, progress, and economic stability of these developing countries have become critically important to the West and to the United States. Our trade with the Third World surpasses that with Western Europe, Japan, and the Soviet Union. The United States sells one-third of its exports to developing nations, and they supply 42% of our imports. Approximately 1 million American jobs depend on U.S. exports to these countries, as does one quarter of our

agricultural productivity. We have more than \$40 billion in investment riding on the fortunes of the developing world.

This is why we press continuously, in a spirit of compromise, for agreement in the current round of global negotiations. And this is again why the United Nations has become an indispensable forum for the rich as well as the poor countries to fashion international institutions that are capable of responding to the growing global economic crises.

Global 2000 Report

This year saw the publication of two important studies dealing with our future. These studies, the Brandt Commission's *Programme for Survival*

and the *Global 2000 Report to the President of the United States*, are not for the faint-hearted. They both diagnose the current state of global economy and ecology as dismal. The prognoses are identical—the worst is yet to come.

I could cite dozens of other studies. They all point to the same conclusion, and they all urge unprecedented global cooperation as the only way to avoid global catastrophe. Yet I am struck by the fact of how the glaringly obvious has failed to penetrate our collective psyche, how oblivious we continue to remain in the face of the clear and present danger that world hunger and poverty present to our countries, to our economic prosperity, and to our freedoms.

We are hurtling toward a future world population of 2½ billion more

U.S. Participation in the U.N., 1979

MESSAGE TO THE CONGRESS,
JAN. 7, 1981¹

I am pleased to transmit to the Congress this report of the activities of the United States Government in the United Nations and its affiliated agencies during calendar year 1979.

The international crisis created by the seizure of the American Embassy in Tehran and the taking of Americans hostage overshadowed much of the 34th General Assembly. In this atmosphere, the United States directed its efforts in the United Nations toward supporting the work of the Secretary General and the Security Council to resolve this breach of international law. The Secretary General brought the issue to the Council which unanimously called upon the Government of Iran to release the hostages. Ironically, after three years of negotiations, the Assembly adopted by consensus the Convention Against the Taking of Hostages. This Convention affirms that there is no valid excuse for the taking of hostages and that there are no circumstances under which the seizure of hostages can be condoned.

Both the Security Council and the General Assembly focused international attention on the continued military occupation of Kampuchea by Vietnam. Of particular note during 1979 was the Security Council's termination of sanctions against Southern Rhodesia, a result of the agreement by the Lancaster House Conference.

On economic issues, UN actions ranged from highly technical meetings such as those

on commodities, to continuing the work of the International Monetary Fund and to political discussions in the General Assembly on the future of international economy and development.

These discussions, attended by almost all UN members, saw a continuous, intense and sometimes acrimonious series of exchanges between the developed and developing countries on the organization of the international economic relations, and the effects of both on economic development. This resulted in the decision by the 34th General Assembly to hold further meetings on these issues. We believe that negotiation of this kind and at this level are important and necessary to relations between developed and developing countries. However, whether the U.S. participates in these global negotiations will depend on how effectively we use but do not intrude upon the agency of the UN and other international organizations.

The United States continues to monitor closely UN expenditures and programs and supports the Secretary General's efforts to limit budget growth.

Our participation in the United Nations and its related agencies and programs is an integral part of our foreign policy. As this report makes clear, the United Nations system of organizations is important and sometimes indispensable to the achievement of many of our central foreign policy objectives. This report should contribute to American understanding of and support for the United Nations and to the continuing active and constructive role of the United States.

JIMMY CARTER

¹Text from Weekly Compilation of Presidential Documents of Jan. 12, 1981. ■

ple than inhabit the Earth today, out of them destined to live in the poorest countries, with per capita incomes hovering at a level of abject poverty, with arable land running out, forests receding, fresh waters disappearing, and deserts expanding.

Today, one-third of humanity exists in the absence of adequate shelter or food, ill and idle, with no hope of a better future and enraged by the injustice of it all. This creates a dangerous global climate—a climate where oceans of suffering breed hurricanes of hate, lashing out with a destructive force not only where they are spawned but wherever they reach a shore.

In this shrinking world of ours, finance no longer guarantees safety. The crises we face do not respect national boundaries or ideological frontiers. Let me select a few pertinent directions of the future.

- In the next 20 years there will be ½ billion more people.
- The food deficit for the Third World alone will hover around 75 million metric tons by the year 1990, eroding down global food reserves and leading to worldwide competition for food and to a rapid rise of price levels.
- The search for alternative sources of food will cause drastic depletion of fishery resources.
- Increased fossil fuel consumption and the greater use of fluorocarbons for this growing population will correspondingly raise atmospheric carbon dioxide and will cause ozone depletion, both of which entail serious climatic changes—in turn affecting our ability to produce food.
- The inability of the developing countries to meet the growing demands—for food and energy alone—of the growing populations will deplete the foreign exchange reserves, raise the debts, in turn lead to defaults and global monetary instability.
- Growing scarcities as well as the growing demands of more and more people will place unacceptable strains on the stability of many developing countries, leading to frequent political upheavals threatening every nation's security.

In a world where billions are subjected to the degradation of poverty—abject poverty—the struggle for sur-

vival will become the paramount human endeavor. Abject poverty dehumanizes because it subjects life to the exigencies of mere existence. It is a condition in which people exhaust their energies at the grueling task of just being, with never a chance of becoming. It is a condition in which people squander their energies in the fight for mere physical survival, with their talents unchallenged, their human potential unfulfilled.

Where the basic human needs of food, health, and shelter remain the sole object of unfulfilled wants, no desire can emerge for liberty and no strength is left to protect rights. Where the struggle for liberation from daily necessities overwhelms the necessity for freedom, neither basic human needs nor human rights will ever be satisfied. And in a world where tyranny becomes the order of things, no nation, however prosperous and free, can long remain an island of virtue.

To confront these growing threats to global security, each nation, each government must do its share. None of the problems can be tackled by one country alone, and no country alone can long endure to carry the principal burden.

It is clear that the followup to the *Global 2000 Report* will require an extended program of cooperative interaction within the worldwide system of international organizations. The United Nations is the ideal focal point for strategists in formulating an agenda which could deflect projected ecological, economic, and social catastrophes in the coming millennium. The very nature of the entity that is the United Nations lends it to the creative long-range effort which could bring to fruition the massive economic development that the current world environment demands. Yet we can no longer attack problems in a piecemeal fashion.

It will not be enough merely to ask for increased funding from the world's financial institutions. We must evolve a precise strategy that will coalesce hardware with human resources, that points toward a convergence of intellectual and technological tools which concentrate our collective efforts in problem solving for both developed and developing nations.

The Challenges of Change

East and West, North and South, our present and our future—they are symbols of our concerns. Pitted against each other in dynamic tension, they reveal the promise and possibilities of change.

Will we control this change or will we permit events to control our lives? Can we allow the prognoses of the *Global 2000 Report* to come true? Can we resign ourselves to an unbridled East-West conflict and prepare to live in a world where the structures of global cooperation will have been replaced by the worst kind of international struggle for the survival of the unfittest? I need not posit the answer.

We Americans have never feared change. To the contrary, I sincerely feel that most of the change for the better that is taking place today has been prompted by our very presence in the world, our ideals, our ways, and our responses. We created the United Nations not to put the brakes on change but to design our future.

In a month or so, I will be leaving my post as Assistant Secretary of State in charge of U.N. affairs. I am proud to have been associated with an American foreign policy that has steadfastly supported the United Nations. To be sure we saw changes coming, yet we did not fear them. We understood the changes taking place in the United Nations, and we tried to steer them in a direction consistent with our values and beliefs. So as I leave office, I am confident that the seeds of our ideals that we planted with the United Nations 35 years ago will grow into a bountiful harvest—as long as we have the will and foresight to cultivate with care and compassion this fragile structure of global cooperation. ■

World Court Hears U.S. Argument on Transfer of WHO Regional Office

In the 33d World Health assembly, held in Geneva in May 1980, several Arab states introduced a proposal to transfer the World Health Organization's (WHO) Eastern Mediterranean Regional Office (EMRO) from Alexandria, Egypt, to Amman, Jordan. The reason given for the proposal was that most of the countries in the region had decided to break diplomatic relations with Egypt and did not wish to conduct their WHO business through the Alexandria office. The motive for the move was acknowledged to be political. The United States and many other countries opposed transfer as an improper and costly political interference in the highly successful workings of a technical and nonpolitical specialized agency.

Apart from the merits and demerits of moving the office, Egypt and the United States maintained during the assembly's discussion of the resolution to transfer the office that the WHO could not move EMRO from Egypt without regard to the 2-year notice provision in the WHO's host agreement with Egypt regarding the regional office. Some other states argued that this notice provision applied only to negotiations over a change in the privileges and immunities of WHO officials in Egypt and that it would not apply to a decision by the WHO to move the regional office.

In order to resolve this dispute, the United States introduced a resolution deferring any decision on removal of the regional office until the International Court of Justice (ICJ) could give an advisory opinion on the question of the applicability of the host agreement to removal of the office. On May 20, 1980, the World Health Assembly approved the U.S. resolution, which referred the following questions to the Court:

1. Are the negotiation and notice provisions of section 37 of the agreement of March 25, 1951, between the World Health Organization and Egypt applicable in the event that either party to the agreement wishes to have the regional office transferred from the territory of Egypt?

2. If so, what would be the legal responsibilities of both the World Health Organization and Egypt, with

regard to the regional office in Alexandria, during the 2-year period between notice and termination of the agreement?

The Court invited all states parties to its statute that also belonged to the WHO to submit written statements and to participate in oral argument. Written statements were filed by Bolivia, Jordan, the United Arab Emirates, Iraq, Kuwait, Egypt, Syria, and the United States. On October 21, 22, and 23, 1980, the Court met in The Hague to hear oral argument. Presentations were made by the United Arab Emirates, Tunisia, the United States, Syria, Egypt, and the World Health Organization.

Representing the United States in the case were Stephen M. Schwebel, Deputy Legal Adviser of the Department of State; Stephen R. Bond, Legal Adviser to the U.S. Mission to International Organizations, Geneva; Ralph Drury Martin, Attorney-Adviser, Department of State; and Lori Fisler Damrosch, Special Assistant to the Legal Adviser, Department of State.

Following are excerpts from the U.S. oral argument made to the Court by Mr. Schwebel.

1. The argument that the host agreement is not a headquarters agreement but merely an agreement on privileges and immunities.

... [L]et us consider what the significance is of the contention that the host agreement is no more than an agreement on privileges and immunities. It raises the complementary question of the significance of the contrasting contention of Egypt and the United States that the host agreement is a headquarters agreement. The distinction between a headquarters agreement and an agreement on privileges and immunities is not semantic. We are concerned with the fundamental question of the role and the content of the host agreement of 1951.

It is the contention of the United States that the host agreement of 1951 provides the full and comprehensive legal basis for the continuing presence and operation of the regional office in

Alexandria. This is not a situation in which the 1951 host agreement regulates an ancillary aspect of a preexisting and independent legal relationship. The function of the host agreement is to place on a proper and enduring legal footing the establishment, maintenance and operation of the regional office. *Mutatis mutandis*, the host agreement is the particular international convention which, in the words of article 38 of the statute of this Court, establishes the "rules expressly recognized by the Contesting States." When we speak of the host agreement as a headquarters agreement, we use a kind of legal shorthand which expresses the essence of our argument. Similarly, when the states that seek a negative answer from the Court speak of an agreement on privileges and immunities, they use a kind of legal shorthand which expresses the essence of their argument.

Now, if the characterizations of the host agreement as an agreement on privileges and immunities were correct, there would have been no need for the host agreement. At the time the host agreement was signed, the Convention on the Privileges and Immunities of the Specialized Agencies of the United Nations was in force. Egypt was asked in the 2d World Health Assembly provisionally to apply it and apparently depending its accession [to the convention]. Moreover, the Organization and Egypt had already entered into a bilateral privileges and immunities agreement in connection with the Organization's provision of services in Egypt. That agreement was concluded on 25 August 1950. Thus if the *only* purpose of the 1951 host agreement was to regulate privileges and immunities, it would have been superfluous.

The host agreement is undeniably concerned with privileges and immunities, but clearly it goes beyond that concern. The fact is that Egypt and the Organization decided, before the establishment of the regional office, to conclude an agreement governing its establishment and maintenance. That agreement is a headquarters agreement in form and content. To be sure, the host agreement of 1951 is not entitled "headquarters agreement." It does not expressly provide that the Organization's

ginal office "shall be established and maintained in Alexandria." Nevertheless it is clear that the parties, in concluding the host agreement, contemplated maintenance of a permanent office of the Organization for and in its Eastern Mediterranean region. They did not have in mind a legal regime of privileges and immunities for officials of the Organization passing through or temporarily assigned to Egypt. The Organization and Egypt assumed, understood, and expressed their mutual understanding that this seat would be physically located in Egypt, specifically in Alexandria.

Thus in the agreement the parties refer to "the Regional Office in Alexandria" (section 1, para. V), "the premises of the Organization in Egypt" (section 1, para. VI), "the seat of the Organization" (section 30). These are references to a physical location of the Eastern Mediterranean Regional Office at its Alexandria headquarters. They are references to a permanent location contained in an agreement of indefinite duration. Moreover, under the host agreement, the obligations of the parties embrace the establishment, operation, and maintenance of physical facilities in Alexandria. For example, section 30 provides for electricity, gas and water supply, removal, and police protection. These are the earmarks of a headquarters agreement, not a privileges and immunities agreement. If this host agreement is compared with other headquarters agreements, their essential identity of content is manifest, as the written statements of the United States and Egypt demonstrate.

The intentions of the parties accordingly are clear from the terms of the agreement itself. But further evidence of the parties' intentions is abundantly available. The negotiating history of the agreement, including the development of the models on which it was based, suggest that there was no any doubt in the minds of the negotiators that a permanent headquarters regime was being established....

To claim that the Alexandria office was established by an agreement other than and anterior to the 1951 host agreement.

Where we differ with our distinguished colleagues from the United Arab Emirates and Kuwait is in this: We do not agree that the governing

headquarters agreement is anything else but the host agreement between the Organization and Egypt of 25 March 1951.

We cannot agree that the 1949 decision of the Executive Board of the Organization to locate EMRO in Alexandria and its acceptance by Egypt constitute the governing international headquarters agreement. If this be the governing international agreement, where is it to be found? It is not printed in the United Nations *Treaty Series* or in the publications of the World Health Organization. It has not been presented to the Court. There appears to be no written record of such an agreement anywhere, even in an exchange of letters between the Organization and the Egyptian Government. The terms of any such agreement are unknown. And most importantly for these proceedings and for this Court, this alleged agreement has not been registered with the Secretariat of the United Nations pursuant to Article 102 of the U.N. Charter. Consequently, it cannot be invoked before the Court by any party to it, nor presumably, by a third state on behalf of any such party.

It cannot be believed that any government would permit the indefinite establishment on its territory of a regional headquarters of an international organization on the basis of so simple a simplified agreement. Still less can it be believed that Egypt would so agree. The sensitivity of Egypt to several legal problems dealt with in the negotiations between Egypt and the Organization over the terms of the 1951 agreement demonstrates that Egypt was not prepared lightly to agree to the indefinite establishment and maintenance of an international organization on its territory. The parliamentary debates to which I have referred and their preoccupation with capitulations, as well as the history of the Alexandria Sanitary Bureau and its predecessors, graphically show that Egypt did not ever treat the emplacement of an international organization on its territory casually, as, for example, a matter to be dealt with in a summary resolution of an international organization to which Egypt would manifest unwritten consent.

On the contrary, beginning early in 1949, Egypt carefully considered the host agreement and meticulously negotiated it. And, for the reasons which I have earlier described, both Egypt and the Organization plainly

regarded the host agreement as the governing headquarters agreement for the Eastern Mediterranean Regional Office at Alexandria....

... To be sure, the regional office was actually installed in 1949, before the host agreement came into force in 1951. But the fact that the host agreement was ratified in 1951 by no means proves that the host agreement is not the governing headquarters agreement. All it shows is that, in 1949, Egypt permitted the conversion of the long-established Alexandria Sanitary Bureau into the regional office of the World Health Organization in view of the continuing negotiation of a host agreement based on the existing model host agreement. That is to say, Egypt was prepared to agree to the selection of Alexandria as the site of the regional office for the Eastern Mediterranean area which the Executive Board had conditionally approved, and to integrate the functions of the Alexandria Sanitary Bureau into, and to transfer that bureau's files to the regional office upon the commencement of its operations.

But, both Egypt and the Organization well knew that the preliminary measure of agreement indicated by the Organization's resolution and Egypt's actions was reached in contemplation of the parties completing negotiations for a host agreement—as, in fact, they did. And when they concluded that host agreement, the preliminary understandings evidenced by the Executive Board's resolution and Egypt's acts were merged and integrated into the host agreement. That integration is definitive. It alone, in the terms of the host agreement, fully and adequately expresses the intention of the parties concerning the location and regulation of the seat of the regional office. The host agreement of 1951 is a complete and formal headquarters agreement which contains a denunciation clause. Accordingly, that clause rather than a nonexistent clause in a nonexistent agreement governs any disestablishment of the Alexandria office....

3. The alleged legal effect of the breach of diplomatic relations with Egypt.

... [T]he political attitudes of some of the Organization's members can have no effect on the legal relationship entered into between the Organization and Egypt in the host agreement of 1951.

It has and will often be the case that the government acting as host to an international organization will not have diplomatic relations with some of the members of the organization. It is a commonplace that delegations of states members of the United Nations that do not enjoy diplomatic relations with the United States take part in U.N. meetings at its New York headquarters. Some of the very states that now argue against the applicability of section 37 chose to sever diplomatic relations with the United States in 1967 but never for a moment did they cease to send delegations to U.N. headquarters in New York.

Thus the severance of diplomatic relations among a few, or even many, of the members of an international organization cannot change the legal relationship between the host government and the organization. In fact, one of the principal purposes of a host agreement, such as that between Egypt and the World Health Organization, is to insure that the legal regime remains stable regardless of political winds affecting the character of intergovernmental relations.

There is no reason to believe that the Alexandria regional office cannot function in the absence of diplomatic relations between Egypt and most states of the region. And it is these states which have caused the very situation which they now invoke as a justification for removal of the office. If there be any problem, it is caused by their political decision to refrain from performance of their own obligation to the Organization, under article 50 of its constitution, to "supervise the activities of the regional office." But no legal or practical obstacle prevents them from sending delegations to Alexandria and performing that supervisory task. There is no legal or practical obstacle to the regional committee meeting in Alexandria or, as it frequently has, at other cities in the region. Only the political objectives of these states, which are extraneous to those of the Organization, stand in their way. In fact, they have created this difficult situation for reasons unrelated to any limitations on their actual ability to operate in Alexandria, or to any purpose of the World Health Organization.

Moreover, it is established international law reflected in Article 63 of the Vienna Convention on the Law of Treaties that severance of diplomatic

relations does not affect treaty relations "except in so far as the existence of diplomatic or consular relations is indispensable for the application of the treaty." The absence of diplomatic relations between some states and a host government may make day-to-day dealing more cumbersome, but it can hardly be said that the existence of diplomatic relations is "indispensable" to the ongoing functioning of the Organization in the territory of the host.

Nor is a changed circumstance rationale for invalidating the agreement's notice provision applicable here. As our written statement establishes in some detail at pages 60 to 61, the doctrine of *rebus sic stantibus* has little relevance to treaties containing provision for termination upon relatively short notice, such as 2 years. The purpose of the doctrine is to provide an implied escape clause for treaties of indefinite or lengthy duration that do not otherwise establish a mechanism for revision or termination as circumstances change. Since section 37 of the 1951 host agreement is exactly such a mechanism, it must be followed if either party wants the office to relocate.

Furthermore, the doctrine of changed circumstances can only be invoked in the event of an unforeseeable change that "radically" transforms obligations under the treaty. For the reasons discussed in our written statement, these requirements cannot be established in the present case. As the Court well appreciates, the burden of establishing invalidity of a treaty obligation on these or any other grounds, must be on the party seeking to be excused from performance under the treaty. I respectfully suggest that it has not been established that the Organization can carry this burden. . . .

Summary of the argument in favor of the applicability of section 37.

I have concluded the presentation of the substantive sections of the submissions of the United States. I should now like to recapitulate in the most summary terms the essential elements of our position. . . .

First, the host agreement of 1951 between Egypt and the Organization is not solely a privileges and immunities agreement but is a typical headquarters agreement, imposing mutual obligations on the parties concerning the location, maintenance, and operation of a specific office in a specific place—that is, the

Eastern Mediterranean Regional Office of the World Health Organization in Alexandria.

Second, the host agreement is the only international instrument defining the obligations of the parties with respect to that regional office. The historical evidence submitted to the Court has shown that from the outset the Organization and Egypt viewed host agreement as the definitive expression of the decision to locate the office in Egypt. It has shown that, although for reasons of convenience the office was actually installed before the host agreement was concluded, the parties intended to express their long-term rights and obligations in the host agreement and through the host agreement alone.

Third, the host agreement does make sense if it is interpreted as my colleagues from Syria, Kuwait, Tunisia, the United Arab Emirates, Iraq, and Jordan would wish, because its term would not be effective.

Article 31 of the Vienna Convention on the Law of Treaties codifies a fundamental principle of general international law that treaties shall be interpreted in good faith. This paramount principle embraces the principle of effectiveness, which the Vienna convention encompasses in the following magisterial formula: "A treaty shall be interpreted in good faith in accordance with the ordinary meaning to be given to the terms of the treaty in their context and in light of its object and purpose."

In deciding this case, this Court must choose between two conflicting interpretations of the host agreement between Egypt and the Organization. One of the those interpretations would allow the parties to terminate the effectiveness of virtually all provisions of the agreement without observing the notice requirement of section 37. The other would give full effect to that requirement. One interpretation would allow either party to disrupt any orderly transition during removal of office; the other interpretation would require that a prescribed transition period remain in effect.

In such circumstances, the International Law Commission has forthrightly stated which is the choice to be made. "Where a treaty is open to two interpretations, one of which does and the other does not enable the treaty to have appropriate effects, good faith

object and purpose of the treaty and that the former interpretation should be adopted."

It is incontestable that the object of the host agreement is the regional office in Alexandria. The purpose of the treaty is to set out the terms by which Egypt and the Organization agreed to establish, maintain, and relocate the Office.

Any interpretation of the agreement which would allow the object and purpose of the treaty to be vitiated without regard to the 2-year transition period specified by section 37 renders section 37 illusory. Since there is nothing in the language or history of the host agreement to suggest that the parties intended such a result, it must be presumed that they intended the primary—that is, intended section 37 of the treaty to be effective.

It must be borne in mind that removal of a major regional office of a large international organization is not a minor matter. The cost of moving across the millions of dollars. Removal of the office would remove several additional millions from the economy of the host state. It simply does not make sense to conclude that the parties to the host agreement could have intended that the same language which provides for a 2-year notice period to deal with unresolved differences over privileges and immunities would simultaneously remove the object of the agreement to be removed, at a large cost, without notice.

International organizations and host states have generally undertaken, by agreement, to provide for the orderly disestablishment of any headquarters which is removed from a host state. The terms of the host agreement of 25 March 1951, its history, and the applicable principles of treaty interpretation all indicate that the host agreement of 25 March 1951 is such an agreement.

Finally, I would like to make one point. It is important to note that interpreting this agreement as its language and history indicate that it should be interpreted—to apply to removal of the office—imposes no extraordinary burden on the parties to the agreement.

Simply as a practical matter, removal of an office is not something that can be successfully accomplished overnight. It took a year for the Orga-

nization's working group merely to study the question. It could easily take as long or longer for the actual move to be accomplished.

It is believed that the only legal obligations imposed by section 37 are those discussed in the written statement of the United States. Namely, the parties would have to keep the existing legal regime in effect for 2 years; they would have to negotiate in good faith for the gradual disestablishment of the office over the 2-year period. These are not onerous burdens. They are, in fact, probably nothing more than what would, as a practical matter, in any event be required in order to secure an orderly removal of the office. This fact apparently is recognized by our distinguished colleagues from the Syrian Arab Republic, whose written statement contains the following sentence concerning transfer of the regional office.

Of course, for reasons of expediency and convenience and once the decision to transfer the Office is taken, the provisions of the Agreement . . . can continue to be applied until a date to be agreed between the two parties for its termination. (p. 69.)

Where, it is submitted, this statement misses the mark is in its failure to

appreciate that the parties have already arranged for these provisions to continue until an agreed date, and that date is 2 years from the official notification of the decision to move the office. Why does it surprise our colleagues from Syria that Egypt and the Organization could have perceived in 1951, as Syria perceives in 1980, that when a regional office is moved, expediency and convenience require continuation of the existing legal regime for a period of time? It is not difficult to see that Egypt and the Organization assumed, in 1951, that it was in the interest of both to provide for binding legal obligations which would assure an orderly removal of the office, rather than to leave such an important matter to whatever goodwill the parties might summon in the midst of the tensions which undoubtedly surround any unilateral removal.

There is no question that an abrupt and arbitrary removal of the regional office from Egypt would work hardship on Egypt and, therefore, serve the political purpose of those states which press for removal. I submit, however, that it has been demonstrated to the Court that it was just this type of hardship—the precipitous removal of an office without time to prepare for cushioning its effects—that the Organi-

MR. SCHWEBEL ELECTED A JUDGE OF THE ICJ

On January 15, 1981, Stephen M. Schwebel, Deputy Legal Adviser of the Department of State, was elected a judge of the International Court of Justice by the U.N. General Assembly and Security Council. He succeeds the late Judge Richard R. Baxter.

Mr. Schwebel has served since 1977 as a member of the U.N. International Law Commission, the U.N.'s principal treaty drafting body on which the large majority of the Court's current judges sat prior to their election to the Court. At 51 years of age, he is the youngest U.S. national ever elected to the Court.

Mr. Schwebel has been U.S. counsel in two recent cases before the ICJ. He played a leading role in the U.S. decision to take the case of the American hostages in Iran to the Court and participated in the oral argument of it. In October 1980, he presented the U.S. argument to the Court in advisory proceedings brought by the World

Health Organization in response to efforts by anti-Camp David Arab states to require WHO peremptorily to remove its regional office from Alexandria, Egypt.

Deputy Legal Adviser of the State Department since 1974, Mr. Schwebel has also served as the Department's Counselor on International Law (1973-74) and Assistant Legal Adviser for United Nations Affairs (1961-66). He was Executive Director of the American Society of International Law (1967-73). Since 1967 he has been professor of international law at the School of Advanced International Studies of The Johns Hopkins University, serving as Edward B. Burling Professor of International Law and Organization since 1973. Mr. Schwebel was assistant professor of law at Harvard Law School (1959-61) and has been a visiting faculty member at Cambridge University, the Australian National University, and The Hague Academy of International Law. He is the author of two books and some 60 articles in the field of international law.

zation and Egypt agreed to avoid almost 30 years ago.

For all these reasons, the Government of the United States submits that the answer to the primary question put by the World Health Assembly to the Court must be in the affirmative....

WORLD COURT ISSUES ADVISORY OPINION

An advisory opinion issued December 20, 1980, in The Hague by the International Court of Justice was hailed by State Department Legal Adviser Roberts Owen as "a victory for the rule of law in the relations between states and international organizations."

The opinion holds that, should the World Health Organization decide to remove its eastern Mediterranean regional office from Alexandria, Egypt, the WHO and Egypt will be legally obliged "to consult together in good faith as to the question under what conditions and in accordance with what modalities a transfer of the regional office from Egypt may be effected." The Court held that the mutual obligations of the WHO and Egypt "place a duty upon the party which wishes to effect the transfer to give a reasonable period of notice to the other party for the termination of the existing situation...."

Arab states opposed to the Camp David agreements have sought to ostracize Egypt by requiring international organizations with offices in Egypt to remove them. Attempts in the World Health Assembly to require removal of the WHO regional office from Alexandria have been frustrated, most lately by a resolution sponsored by the United States which requested the International Court of Justice to give an advisory opinion on the legal principles which would govern any such move.

Egypt and the United States, both of which oppose any move, argued to the Court that, should the WHO decide to remove the Alexandria office, 2 years' notice would have to be given under the Egyptian-WHO host agreement or that, in any event, reasonable notice would have to be given. The Court's opinion, by a vote of 12-1, sustains the latter argument. Only the member of the Court of Soviet na-

El Salvador

Following are a statement of December 12, 1980, on the special Presidential mission to El Salvador (December 6-9, 1980, and Department statements of January 14 and 17, 1981 on resumption of military assistance to El Salvador.

DEPARTMENT STATEMENT, DEC. 12, 1980

William D. Rogers, former Under Secretary of State for Economic Affairs and Assistant Secretary of State under President Ford, and Assistant Secretary of State William G. Bowdler met with the President yesterday to report on their special mission to El Salvador. Today they are briefing members of the Congress on their mission. They are also submitting a confidential written report to the President.

During their December 6 through 9 stay in El Salvador, the special mission members held a series of meetings with Ambassador White and the Embassy staff, the governing Junta, and Archbishop, the Chief of Police, the special Salvadoran Investigating Commission, nuns from the same order as two of the murdered women, and others. They told those with whom they met that the murder of the four American churchwomen had shocked the conscience of the American people. They expressed our grave concern that the increased incidence of violence in El Salvador raised a fundamental question about the ability of the government to maintain a minimal degree of civil order. They urged prompt and effective action not only to apprehend and punish the murderers but also to control the violence and prevent such tragic incidents from recurring.

The special mission reported that, thus far, there was no direct evidence of who committed the crime. Especially because of circumstantial evidence of possible security force involvement in

tionality, Judge Platon Morosov, dissented.

Mr. Owen described the Court's opinion as "the second excellent decision which it has issued this year." He stated that it "more than satisfactorily upholds" the U.S. position and "demonstrates that international organizations, no less than states, must adhere to the rule of law in international relations." ■

the case, the mission urged the authorities of El Salvador to conduct a complete, thorough, and professional investigation of these murders so that the questions can be answered and those responsible be brought to justice.

The governing Junta requested the mission communicate to the President, the government, and people of United States El Salvador's profound regret with respect to the crime. The told our mission that the investigation would be pursued wherever it led, anywhere in the country, at any level.

To this end, the Junta has appointed an official four-man ad hoc investigation commission. The commission, which is actively pursuing its task, has requested our technical and professional investigative support. Several agents of the FBI are already in El Salvador providing technical assistance to the commission. We will continue to cooperate fully with this investigation.

Our special emissaries also discussed the desirability of permitting outside observers of the investigation. The commission has welcomed this. We expect that organizations such as the Inter-American Human Rights Commission will be able to play such a role. Our Embassy will also be closely monitoring the progress of the investigation.

We consider the appointment of the investigative commission, its efforts to date, its desire to have U.S. investigative experts assist in its work, and its willingness to permit outside observers to monitor the investigation as positive responses to our mission.

In the course of the mission's discussions with the governing Junta and others, it was pleased to note that there appears to be a consensus on the need to act quickly and effectively to investigate, thoroughly, the killings of our citizens, to gain greater control over the widespread violence, to undertake a reform and restructuring of the government and to make it more effective, to make the military high command more responsive to duly constituted authorities, to implement the reform program, and to open a dialogue with democratic leaders of the opposition to end the terrible internal conflict that is costing so many lives.

Negotiations are going on in El Salvador between the Christian Democrats and the military toward these ends. Statements by Salvadoran officials involved indicate that some significant restructuring of the government and shifts in military personnel are

icated. The United States is ready to resume its assistance to El Salvador as such progress.

We will be following these developments and carefully assessing the way in which they improve the effectiveness of the government pursuing its reform program, in controlling violence, and in protecting human rights. Progress toward these objectives is essential to avoid further polarization, either to the extreme right or to the radical left.

DEPARTMENT STATEMENT JAN. 4, 1981¹

The administration has decided to resume its Fiscal Year 1981 military assistance to El Salvador, which was temporarily suspended on December 5. Specifically, we will continue with our financing \$420,000 international military education and training (IMET) program and proceed with implementation of \$5 million foreign military sales (FMS) credit program. Within the FMS program we will proceed, immediately, with the sale of approximately \$2.3 million in nonlethal equipment. We will also proceed with the loan of two Huey transport helicopters, financing related costs from the FMS credit. This helicopter loan program has been under consideration for several months.

When we announced resumption of economic assistance to El Salvador on December 17, we stated that our military assistance would continue to be temporarily suspended. We indicated that we would be following developments in El Salvador with regard to certain areas of concern, especially continuing progress in the investigation of the murders of the four American women.

The investigation of the murders by the Government of El Salvador's special investigation commission is proceeding. The commission has questioned many persons in El Salvador and developed some leads. Our FBI has furnished technical assistance to the commission and will, this week, deliver to the commission its assessment of the evidence obtained from the two autopsies performed in the United States and from the visit of FBI technicians to El Salvador. The Salvadoran Attorney General is proceeding with arrangements for autopsies on the two women buried in El Salvador. The Salvadoran Embassy in Ottawa is to interview the group of Canadian missionaries who were with the women at the airport.

The Government of El Salvador has invited the Inter-American Human Rights Commission to observe the work of the investigating commission. We are supporting this invitation.

Our decisions regarding military assistance have also taken account of the current military situation in El Salvador. A major military offensive was conducted by the leftist guerrillas over the past weekend in which they demonstrated that they are better armed and constitute a military threat. Captured documents and weapons confirmed that the guerrillas have received a substantial supply of arms from abroad.

Although the government forces contained the guerrilla offensive, they expended considerable materiel and lost their last transport helicopter. As a result, their need for military assistance has become greater and more urgent.

Taking full account of the progress in areas of concern to us, especially the investigation of the murders of the four American churchwomen, and considering the overall military situation, the Administration has decided to resume its modest military assistance to El Salvador.

DEPARTMENT STATEMENT JAN. 17, 1981¹

For the past 15 months, we have assisted the moderate military/civilian Government of El Salvador in its efforts:

- To implement its agrarian reform and electoral program;
- To put a stop to the violence of right-wing terrorists; and
- To defeat the Marxist guerrillas.

We are encouraged that there has been progress in these areas.

To assist the government to implement the reforms which were so essential to give the underprivileged of El Salvador a greater stake in that society, we have provided approximately \$82 million of economic aid. We have also provided military aid, both as a means of encouraging progress in areas of common concern and of supporting such steps when they occur. We believe that continued progress with the agrarian reform and electoral program and a readiness to negotiate are just as important to the long-term success of the government in ending the violence and defeating the guerrillas as its military efforts.

On January 10, Marxist guerrillas launched a major offensive in El Salvador. Evidence emerging from this

offensive and intelligence reports confirmed that the guerrillas have obtained, from abroad, a substantial quantity of lethal weapons, including grenades, recoilless rifles, and mortars. The evidence also indicates that a number of countries are supporting the Marxist guerrillas and are continuing to supply them arms and ammunition. Up until this offensive, the United States provided limited military assistance to help meet the Salvadoran Government's legitimate defense needs. (This included \$5.7 million FMS credits and \$250,000 IMET in fiscal year 1980 and \$5 million FMS credits and \$500,000 IMET for fiscal year 1981.)

The Government of El Salvador is in control of the country despite repeated outbreaks of terrorism and scattered guerrilla attacks. However, in dealing with the current offensive, the Salvadoran armed forces have had to draw down their stocks to levels where replacement is essential of some of their equipment, especially, ammunition. The Salvadoran Government needs to offset increases in the guerrillas' firepower and to replace their own losses. The Government of El Salvador has, therefore, requested that we provide, on an emergency basis, the military items which they require. We are responding for essentially two reasons:

First, the government continues to take positive steps in the areas of mutual concern to our two nations—the investigations, implementation of the reforms, and improvement of the government's ability to deal with repression and terrorism.

Secondly, we must support the Salvadoran Government in its struggle against left-wing terrorism supported covertly with arms, ammunition, training, and political and military advice by Cuba and other Communist nations.

The United States is, therefore, providing \$5 million in equipment and services, including some urgently needed arms and ammunition, under Section 506A of the Foreign Assistance Act. We are also loaning the remaining 4 Huey transport helicopters, with related costs financed under the fiscal year 1981 FMS credit. We believe these supplies will be important in helping the government maintain control and continue the process of moderate reform.

¹ Read to news correspondents by Department spokesman John Trattner. ■

Current Actions

MULTILATERAL

Customs

Convention establishing a Customs Cooperation Council, with annex. Done at Brussels Dec. 15, 1950. Entered into force Nov. 4, 1952; for the U.S. Nov. 5, 1970. TIAS 7063. Accession deposited: Philippines, Oct. 1, 1980.

Health

Amendment to Article 74 of the Constitution of the World Health Organization, as amended. Adopted at Geneva May 18, 1978.¹ Acceptances deposited: U.S., Dec. 10, 1980; San Marino, Oct. 28, 1980; France, Oct. 6, 1980.

Judicial Procedure

Convention abolishing the requirement of legalisation for foreign public documents, with annex. Done at The Hague Oct. 5, 1961. Entered into force Jan. 24, 1965.² Accession deposited: U.S., Dec. 24, 1980.³

Load Lines

Amendments to the international convention on load lines, 1966 (TIAS 6331). Adopted at London Oct. 12, 1971.¹ Acceptance deposited: Australia, Nov. 10, 1980.

Amendments to the international convention on load lines, 1966 (TIAS 6331, 6629, 6720), relating to amendments to the convention. Adopted at London Nov. 12, 1975.¹ Acceptance deposited: Australia, Nov. 10, 1980.

Maritime Matters

Amendments to the convention of Mar. 6, 1948, as amended (TIAS 4044, 6285, 6490, 8606), on the Intergovernmental Maritime Consultative Organization. Adopted at London Nov. 14, 1975.¹ Acceptances deposited: Mexico, Dec. 19, 1980; Uruguay, Dec. 17, 1980.

Amendments to the convention of Mar. 6, 1948, as amended (TIAS 4044, 6285, 6490, 8606), on the Intergovernmental Maritime Consultative Organization. Adopted at London Nov. 17, 1977.¹ Acceptance deposited: Uruguay, Dec. 17, 1980.

Amendments to the convention of Mar. 6, 1948, as amended (TIAS 4044, 6285, 6490, 8606), on the Intergovernmental Maritime Consultative Organization. Adopted at London Nov. 15, 1979.¹ Acceptances deposited: New Zealand, Dec. 15, 1980; Poland, Nov. 20, 1980; Sweden, Nov. 25, 1980.

Patents—Plant Varieties

International convention for the protection of new varieties of plants of Dec. 2, 1961, as revised. Done at Geneva Oct. 23, 1978.¹ Ratification deposited: New Zealand, Nov. 3, 1980.

Acceptance deposited: U.S., Nov. 12, 1980.

Rubber

International natural rubber agreement, 1979. Done at Geneva Oct. 6, 1979. Entered into force provisionally Oct. 23, 1980. Acceptance deposited: Papua New Guinea, Oct. 28, 1980. Notification of provisional application: Italy, Nov. 17, 1980; Thailand, Nov. 21, 1980. Accession deposited: Sri Lanka, Nov. 17, 1980.

Safety at Sea

International convention for the safety of life at sea, 1974, with annex. Done at London Nov. 1, 1974. Entered into force May 25, 1980. TIAS 9700.

Approval deposited: Czechoslovakia, Aug. 18, 1980.

Accession deposited: Colombia, Oct. 31, 1980.

Protocol of 1978 relating to the international convention for the safety of life at sea, 1974 (TIAS 9700). Done at London Feb. 17, 1978. Ratifications deposited: Liberia, Aug. 28, 1980; Yugoslavia, Oct. 31, 1980. Accession deposited: Colombia, Oct. 31, 1980. Enters into force: May 1, 1981.

South Pacific Commission

Agreement establishing the South Pacific Commission. Signed at Canberra Feb. 6, 1947. Entered into force July 29, 1948. TIAS 2317, 2458, 2952, 5845, 8120. Accessions deposited: Cook Islands, Oct. 14, 1980; Niue, Oct. 13, 1980.

Space

Agreement governing the activities of states on the Moon and other celestial bodies. Adopted at New York Dec. 5, 1979.¹ Signature: Guatemala, Nov. 20, 1980.

Telecommunications

Partial revision of the radio regulations (Geneva, 1959), as revised, relating to the aeronautical mobile (R) service, with annexes and final protocol. Done at Geneva Mar. 5, 1978. Entered into force Sept. 1, 1979; for the U.S. Oct. 22, 1980. Approval deposited: Republic of Korea, Sept. 22, 1980.

Terrorism

Convention on the prevention and punishment of crimes against internationally protected persons, including diplomatic agents. Adopted at New York Dec. 14, 1973. Entered into force Feb. 20, 1977. TIAS 8532. Accession deposited: Burundi, Dec. 17, 1980.

International convention against the taking of hostages. Adopted at New York Dec. 17, 1979.¹

Ratification deposited: F.R.G., Dec. 15, 1979. Signatures: Israel, Nov. 19, 1980; Egypt, Netherlands, Norway, Dec. 18, 1980; Japan, Dec. 22, 1980.

Tonnage Measurement

International convention on tonnage measurement of ships, 1969, with annexes. Done at London June 23, 1969. Enters into force July 18, 1982.

Acceptance deposited: France, Oct. 31, 1980.

Trade

International dairy arrangement. Done at Geneva Apr. 12, 1979. Entered into force Jan. 1, 1980. TIAS 9623. Acceptance: Romania, Oct. 27, 1980.

Agreement of government procurement. Done at Geneva Apr. 12, 1979. Entered into force Jan. 1, 1981.²

Acceptances deposited: Japan, Apr. 25, 1980; Norway, Oct. 24, 1980.

Ratification deposited: Finland, Oct. 24, 1980.

U.N. Industrial Development Organization Constitution of the U.N. Industrial Development Organization, with annexes. Adopted at Vienna Apr. 8, 1979.¹ Ratification deposited: Nigeria, Dec. 19, 1980. Signatures: U.S.S.R., Dec. 8, 1980; Byelorussian Soviet Socialist Republic, Dec. 10, 1980; Mongolia, Dec. 22, 1980.

Wheat

Food aid convention, 1980 (part of the international wheat agreement, 1971, as extended (TIAS 7144)). Done at Washington Mar. 1, 1980. Entered into force July 1, 1980.

Proclaimed by the President: Dec. 5, 1980.

Acceptance deposited: Japan, Nov. 26, 1980.

Protocol modifying and further extending the food aid convention (part of the international wheat agreement), 1971 (TIAS 7144). Done at Washington Apr. 25, 1979. Entered into force June 23, 1979, with respect to certain provisions, July 1, 1979, with respect to other provisions. TIAS 9878.

Proclaimed by the President: Dec. 5, 1980.

Accessions deposited: Netherlands, Dec. 9, 1980;⁵ Argentina, Dec. 11, 1980.

Protocol modifying and further extending the wheat trade convention (part of the international wheat agreement), 1971 (TIAS 7144). Done at Washington Apr. 25, 1979. Entered into force June 23, 1979, with respect to certain provisions. TIAS 9878. Proclaimed by the President: Dec. 5, 1980. Accessions deposited: Netherlands, Dec. 9, 1980;⁵ Argentina, Dec. 11, 1980.

Women

Convention on the elimination of all forms of discrimination against women. Adopted at New York Dec. 18, 1979.¹

Accession deposited: Cape Verde, Dec. 5, 1980.

Ratification deposited: Hungary, Dec. 22, 1980.

GENERAL

Agreement relating to air transport services, as amended (TIAS 1515, 8923, 9207). Signed at Brussels Apr. 5, 1946. Entered into force Dec. 1, 1946.
Terminated: Oct. 23, 1980.

Agreement of cultural, educational, scientific and technological exchanges for 1981 and 1982, with final protocol. Signed at Washington Nov. 21, 1980. Entered into force Nov. 21, 1980; effective Jan. 1, 1981.

Agreement relating to investment guarantees, with related notes and statement. Effected by exchange of notes at Beijing Oct. 10, 1980. Entered into force Oct. 30, 1980.

Agreement amending and extending the air transport agreement of Feb. 28, 1969, as amended and extended (TIAS 6644, 7356, 81868). Effected by exchange of notes at Washington May 12 and Nov. 7, 1980. Entered into force Nov. 7, 1980; effective Dec. 31, 1980.

Agreement amending the grant agreement of July 3, 1978 (TIAS 9494), relating to housing and community upgrading for low income Egyptians. Signed at Cairo Sept. 28, 1980. Entered into force Sept. 28, 1980. TIAS 9494.

Agreement amending the grant agreement, with annex, regarding university linkages. Signed at Cairo Sept. 28, 1980. Entered into force Sept. 28, 1980. TIAS 9495.

Agreement extending privileges and immunities to U.S. military personnel in Egypt in connection with joint Egyptian-U.S. Army and Air Force training exercises. Effected by exchange of notes at Cairo Nov. 3, and 5, 1980. Entered into force Nov. 5, 1980.

Agreement of understanding for cooperation in energy research and development. Signed at Washington Nov. 6, 1980. Entered into force Nov. 6, 1980.

Agreement, Federal Republic of Germany, for the avoidance of double taxation with respect to taxes on estates, inheritance and gifts. Signed at Bonn Dec. 3, 1980. Enters into force upon the exchange of instruments of ratification.

Agreement for the application of safeguards of the U.S., with protocol. Signed at Vienna Oct. 4, 1977.
Entered into force: Dec. 9, 1980.

Mexico

Agreement amending the agreement of Feb. 26, 1979 (TIAS 9419), as amended, relating to trade in cotton, wool, and manmade fiber, textiles and textile products. Effected by exchange of letters at Washington Nov. 13 and 17 and Dec. 11, 1980. Entered into force Dec. 11, 1980.

Agreement amending the agreement of June 2, 1977 (TIAS 8952), relating to additional cooperative arrangements to curb the illegal traffic in narcotics. Effected by exchange of letters at Mexico Nov. 6, 1980. Entered into force Nov. 6, 1980.

New Zealand

Agreement amending the air transport agreement of June 24, 1964 (TIAS 5605), with exchange of letters. Effected by exchange of notes at Wellington Nov. 25, 1980. Entered into force Nov. 25, 1980.

Romania

Agreement relating to trade in wool and manmade fiber, textiles and textile products. Effected by exchange of notes at Washington Sept. 3 and Nov. 3, 1980. Entered into force Nov. 3, 1980; effective Apr. 1, 1981.

Agreement amending and extending the agreement of June 17, 1977, as amended (TIAS 8833, 8924, 9167, 9211, 9646, 9796), relating to trade in wool and manmade fiber textiles. Effected by exchange of notes at Bucharest July 22 and Oct. 31, 1980. Entered into force Oct. 31, 1980.

Switzerland

Agreement amending the memorandum of understanding of July 2 and 9, 1975 (TIAS 9032) concerning the purchase of F-5E and F-5F aircraft by Switzerland. Signed at Washington and Bern Oct. 7 and 29, 1980. Entered into force Oct. 29, 1980.

Agreement establishing rights, privileges, and immunities of the delegation to the negotiations concerning theater nuclear forces (TNF). Effected by exchange of letters at Bern Oct. 17, 1980. Entered into force Oct. 17, 1980.

Turkey

Agreement regarding the consolidation and rescheduling of certain debts owed to, guaranteed or insured by the U.S. Government and its agencies, with agreed minute and annexes. Signed at Ankara Oct. 24, 1980. Entered into force Nov. 24, 1980.

Treaty on the enforcement of penal judgments. Signed at Ankara June 7, 1979. Entered into force Jan. 1, 1981.

Instruments of ratification exchanged: Dec. 2, 1980.

Treaty on extradition and mutual assistance in criminal matters. Signed at Ankara June 7, 1979. Entered into force Jan. 1, 1981.
Instruments of ratification exchanged: Dec. 2, 1980.

Extradition treaty. Signed at Lausanne Aug. 6, 1923. Entered into force Aug. 18, 1934. 49 Stat. 2692.

Terminated: Jan. 1, 1981.

Agreement for cooperation on defense and economy in accordance with articles II and III of the North Atlantic Treaty, with related note. Supplementary agreement number 1 on defense support; supplementary agreement number 2 on defense industrial cooperation; supplementary agreement number 3 on installations, with implementing agreements (annexes). Signed at Ankara Mar. 29, 1980.

Entered into force: Definitively, Nov. 18, 1980.

United Kingdom

Agreement amending the agreement of July 23, 1977, as amended (TIAS 8641, 8965, 9722), concerning air services. Effected by exchange of notes at Washington Dec. 4, 1980. Entered into force Dec. 4, 1980; effective Apr. 1, 1980, except that annex 5 is effective Jan. 1, 1980.

Venezuela

Maritime boundary treaty. Signed at Caracas Mar. 28, 1978.

Ratifications exchanged: Washington Nov. 24, 1980.

Entered into force: Nov. 24, 1980.

Yugoslavia

Agreement amending the agreement of Oct. 26 and 27, 1978 (TIAS 9447), concerning the trade in men's and boys' wool and manmade fiber suits. Effected by exchange of notes at Belgrade July 15 and Sept. 12, 1980. Enters into force after approval by the competent authorities of both parties.

Zaire

Agreement amending the agreement for sales of agricultural commodities of May 30, 1980. Effected by exchange of notes at Kinshasa Oct. 10 and 31, 1980. Entered into force Oct. 31, 1980.

¹ Not in force.

² Not in force for the U.S.

³ With a statement.

⁴ With reservation.

⁵ Applicable to the Kingdom in Europe. ■

December 1980

Events pertaining to Iran may be found on pages 5 and 9.

December 3

Secretary Muskie transmits ninth semi-annual report on Implementation of the Helsinki Final Act covering the period June 1 through November 30, 1980, to Chairman Dante Fascell of the Commission on Security and Cooperation in Europe (CSCE).

December 5

Pending clarification of the role of Salvadoran security forces in the killing of three U.S. nuns, U.S. suspends new military and economic aid to El Salvador.

A factfinding mission, led by William D. Rogers, former Assistant Secretary for Inter-American Affairs, departs for El Salvador to investigate the killings.

December 9

U.S.-International Atomic Energy Agency (IAEA) treaty permitting IAEA to safeguard civil nuclear facilities in the U.S. enters into force.

Secretary Muskie departs for Brussels for NATO ministerial meeting (Dec. 11-12) and departs for London on Dec. 12 for talks with senior British officials Dec. 12-14.

December 11

The following newly appointed Ambassadors presented their credentials to President Carter: Jorge Mario Eastman of Colombia; Col. Federico Edmundo Poujol of Honduras; Dr. Moteane John Melamu of Botswana; Fernando SCHWALB Lopez Aldana of Peru; and Kubulan Los of Papua New Guinea.

Semiannual NATO ministerial meeting held in Brussels Dec. 11-12.

December 17

U.S. and Israel reach final settlement on U.S.S. *Liberty* claim.

December 18

Former Soviet Prime Minister Aleksei N. Kosygin dies.

December 19

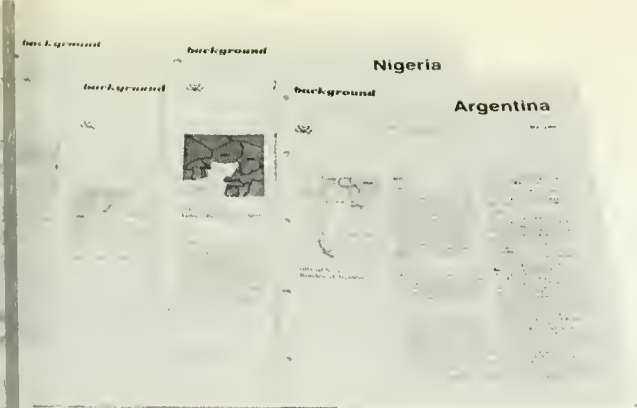
U.N. Security Council unanimously votes to call upon Israel to adhere to the provisions of the Geneva convention in its conduct in territories occupied in 1967 and to allow the expelled West Bank officials to return to their homes. ■

Department of State

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

No.	Date	Subject			
*332	12/1	Shipping Coordinating Committee (SCC), Subcommittee on Safety of Life at Sea (SOLAS) working group on safety of navigation, Dec. 17.	348	12/16	Final communique, North Atlantic Council, Dec. 11-12.
333	12/4	Muskie: address before London lecture series, Kansas State University, Manhattan, Kan.	*349	12/17	Muskie: interview for B radio, London, Dec. 18
*333A	12/8	Muskie: question-and-answer session following Kansas address.	*350	12/17	Muskie: interview on N TV's "Today Show."
334	12/4	Muskie: address before African-American Historical and Cultural Society's 25th Anniversary, San Francisco.	351	12/19	U.S., Canada joint statement on the technical meeting on dioxin.
*335	12/4	Muskie: remarks to Overseas Writers Club, Dec. 3.	352	12/22	Muskie: interview on N TV's "Meet the Press" Dec. 21.
336	12/5	Muskie: address before University of Southern California's Conference on World Hunger and Refugees, Los Angeles.	*353	12/22	Dept. of State celebrate 200th anniversary.
*336A	12/9	Muskie: question-and-answer session following Los Angeles address.	*354	12/24	Muskie: statement on A TV's "Good Morning America."
337	12/5	Muskie: address and question-and-answer session at student union, Kansas State University, Manhattan, Dec. 4.	355	12/24	U.S. examines Canadian pollution legislation [Not issued.]
*338	12/8	U.S.-U.K. air agreement expanded, Dec. 4.	*356		
*339	12/9	Muskie: news conference at Davidson Conference Center, University of Southern California, Los Angeles, Dec. 5.	*357	12/31	Advisory Committee on Oceans and International Environmental and Scientific Affairs—Antarctic section (partially closed meeting).
*340	12/10	Muskie: interview with European correspondents at ICA, Dec. 9.	*358	12/31	Henry L. Kimelman sworn in as Ambassador to I (biographic data).
*341	12/11	SCC, subcommittee on ocean dumping, Jan. 14.	*359	12/31	SCC, SOLAS, working group on radiocommunications, Jan. 15.
*342	12/11	Muskie: remarks with reporters, Brussels, Dec. 10.	*360	12/31	Advisory Committee on International Investment Technology, and Development, working group preparations for the Conference on New and Renewable Sources of Energy (UNCNRSE), 14.
*343	12/12	Muskie: remarks to reporters, Brussels, Dec. 11.	*361	12/31	Advisory Committee on International Investment Technology, and Development, working group international data flow Jan. 18.
*344	12/15	Muskie: remarks at the conclusion of the North Atlantic Council Meeting, Brussels, Dec. 12.	*362	12/31	CCIR, study group 9, Jan. 15.
*345	12/15	U.S. Organization for the International Radio Consultative Committee (CCIR), study group 5, Jan. 15.	*363	12/31	Jack Robert Binns sworn as Ambassador to Honduras (biographic data)
*346	12/15	CCIR, study group 6, Jan. 16.	*364	12/31	Harry W. Shlaudeman sworn in as Ambassador to Argentina (biographic data).
*347	12/15	U.S., Yugoslavia amend textile agreement, July 15 and Sept. 12.	*365	12/31	Edwin Gharst Corra sworn as Ambassador to Peru (biographic data).

*Not printed in the BULLETIN. ■



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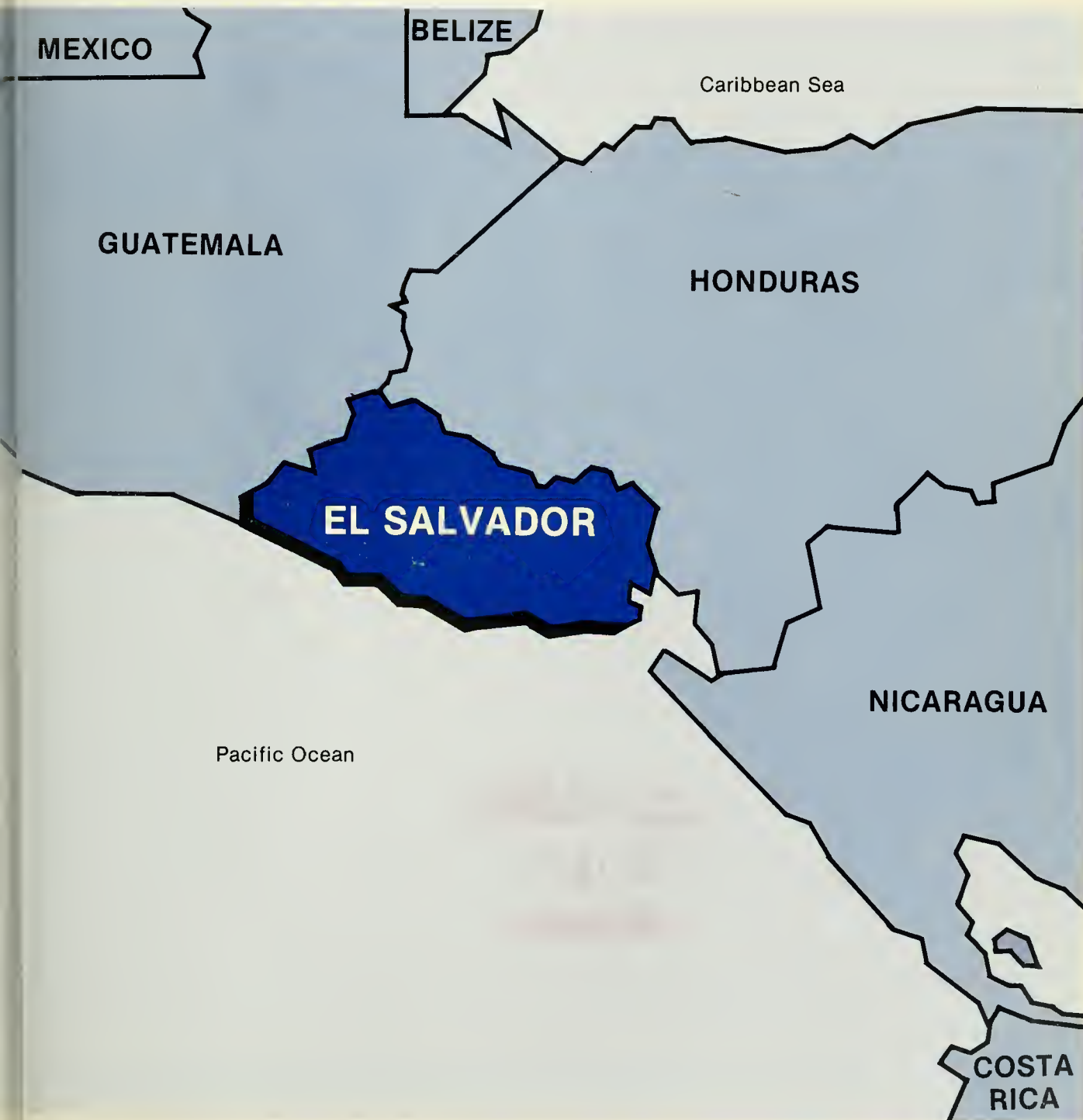
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**Department
of State**

bulletin

The Official Monthly Record of United States Foreign Policy / Volume 81 / Number 2048

March 1981



Department of State **bulletin**

Volume 81 / Number 2048 / March 1981

Cover Art:

Map by Tommy Fuell
(Visual Services)

The DEPARTMENT OF STATE BULLETIN, published by the Office of Public Communication in the Bureau of Public Affairs, is the official record of U.S. foreign policy. Its purpose is to provide the public, the Congress, and government agencies with information on developments in U.S. foreign relations and the work of the Department of State and the Foreign Service.

The BULLETIN's contents include major addresses and news conferences of the President and the Secretary of State; statements made before congressional committees by the Secretary and other senior State Department officials; special features and articles on international affairs; selected press releases issued by the White House, the Department, and the U.S. Mission to the United Nations; and treaties and other agreements to which the United States is or may become a party.

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Price: 12 issues plus annual index—
\$19.00 (domestic) \$23.75 (foreign)
Single copy— \$3.25 (domestic) \$4.10 (foreign)
Index, single copy— \$2.25 (domestic) \$2.85 (foreign)

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Arms flow into El Salvador.

Communist Interference in El Salvador

Following is a reprint of a State Department special report on Communist involvement in the insurrection in El Salvador.

Summary

This special report presents definitive evidence of the clandestine military support given by the Soviet Union, Cuba, and their Communist allies to Marxist-Leninist guerrillas now fighting to overthrow the established Government of El Salvador. The evidence, drawn from captured guerrilla documents and war material and corroborated by intelligence reports, underscores the central role played by Cuba and other Communist countries beginning in 1979 in the political education, military direction, and arming of insurgent forces in El Salvador.

From the documents it is possible to reconstruct chronologically the key stages in the growth of the Communist involvement:

- The direct tutelary role played by Fidel Castro and the Cuban Government in 1979 and early 1980 in bringing the diverse Salvadoran guerrilla factions into a unified front;
- The assistance and advice given to guerrillas in planning their military operations;
- The series of contacts between Salvadoran Communist leaders and key officials of several Communist states that resulted in commitments to supply the insurgents nearly 800 tons of the most modern weapons and equipment;
- The covert delivery to El Salvador of nearly 200 tons of those arms, mostly through Cuba and Nicaragua, in preparation for the guerrillas' failed "general offensive" of January 1981;
- The major Communist effort to "accelerate" their involvement by providing military arms of Western manufacture.

It is clear that over the past year the insurgency in El Salvador has been progressively transformed into another case of direct armed aggression against a small Third World country by Communist powers acting through Cuba.

The United States considers it of great importance that the American people and the world community be aware of the gravity of the actions of Cuba, the Soviet Union, and other Communist states who are carrying out what has clearly shown to be a well-coordinated,

covert effort to bring about the overthrow of El Salvador's established government and to impose in its place a Communist regime with no popular support.

I. A Case of Communist Military Involvement in the Third World

The situation in El Salvador presents a strikingly familiar case of Soviet, Cuban, and other Communist military involvement in a politically troubled Third World country. By providing arms, training, and direction to a local insurgency and by supporting it with a global propaganda campaign, the Communists have intensified and widened the conflict, greatly increased the suffering of the Salvadoran people, and deceived much of the world about the true nature of the revolution. Their objective in El Salvador as elsewhere is to bring about—at little cost to themselves—the overthrow of the established government and the imposition of a Communist regime in defiance of the will of the Salvadoran people.

The Guerrillas: Their Tactics and Propaganda. El Salvador's extreme left, which includes the long-established Communist Party of El Salvador (PCES) and several armed groups of more recent origin, has become increasingly committed since 1976 to a military solution. A campaign of terrorism—bombings, assassinations, kidnappings, and seizures of embassies—has disrupted national life and claimed the lives of many innocent people.

During 1980, previously fragmented factions of the extreme left agreed to coordinate their actions in support of a joint military battle plan developed with Cuban assistance. As a precondition for large-scale Cuban aid, Salvadoran guerrilla leaders, meeting in Havana in May, formed first the Unified Revolutionary Directorate (DRU) as their central executive arm for political and military planning and, in late 1980, the Farabundo Marti People's Liberation Front (FMLN), as the coordinating body of the guerrilla organizations. A front organization, the Revolutionary Democratic Front (FDR), was also created to disseminate propaganda abroad. For appearances sake, three small non-Marxist-Leninist political parties were brought into the front, though they have no representation in the DRU.

The Salvadoran guerrillas, speaking through the FDR, have managed to deceive many about what is happening in El Salvador. They have been aided by Nicaragua and by the worldwide propaganda networks of Cuba, the Soviet Union, and other Communist countries.

The guerrillas' propaganda aims at legitimizing their violence and concealing the Communist aid that makes it possible. Other key aims are to discredit the Salvadoran Government, to misrepresent U.S. policies and actions, and to foster the impression of overwhelming popular support for the revolutionary movement.

Examples of the more extreme claims of their propaganda apparatus—echoed by Cuban, Soviet, and Nicaraguan media—are:

- That the United States has military bases and several hundred troops in El Salvador (in fact, the United States has no bases and fewer than 50 military personnel there);
- That the government's security forces were responsible for most of the 10,000 killings that occurred in 1980 (in their own reports in 1980, the guerrillas themselves claimed the killings of nearly 6,000 persons, including noncombatant "informers" as well as government authorities and military).

In addition to media propaganda, Cuba and the Soviet Union promote the insurgent cause at international forums, with individual governments, and among foreign opinion leaders. Cuba has an efficient network for introducing and promoting representatives of the Salvadoran left all over the world. Havana and Moscow also bring indirect pressure on some governments to support the Salvadoran revolutionaries by mobilizing local Communist groups.

II. Communist Military Intervention: A Chronology

Before September 1980 the diverse guerrilla groups in El Salvador were ill-coordinated and ill-equipped, armed with pistols and a varied assortment of hunting rifles and shotguns. At that time the insurgents acquired weapons predominantly through purchases on the interna-

tional market and from dealers who participated in the supply of arms to the Sandinistas in Nicaragua.

By January 1981 when the guerrillas launched their "general offensive," they had acquired an impressive array of modern weapons and supporting equipment never before used in El Salvador by either the insurgents or the military. Belgian FAL rifles, German G-3 rifles, U.S. M-1, M-16, and AR-15 semiautomatic and automatic rifles, and the Israeli UZI submachinegun and Galil assault rifle have all been confirmed in the guerrilla inventory. In addition, they are known to possess .30 to .50 caliber machineguns, the U.S. M-60 machinegun, U.S. and Russian hand grenades, the U.S. M-79 and Chinese RPG grenade launchers, and the U.S. M-72 light antitank weapon and 81mm mortars. Captured ammunition indicates the guerrillas probably possess 60mm and 82mm mortars and 57mm and 75mm recoilless rifles.

Recently acquired evidence has enabled us to reconstruct the central role played by Cuba, other Communist countries, and several radical states in the political unification and military direction of insurgent forces in El Salvador and in equipping them in less than 6 months with a panoply of modern weapons that enabled the guerrillas to launch a well-armed offensive.

This information, which we consider incontrovertible, has been acquired over the past year. Many key details, however, have fallen into place as the result of the guerrillas' own records. Two particularly important document caches were recovered from the Communist Party of El Salvador in November 1980 and from the Peoples' Revolutionary Army (ERP) in January 1981. This mass of captured documents includes battle plans, letters, and reports of meetings and travels, some written in cryptic language and using code words.

When deciphered and verified against evidence from other intelligence sources, the documents bring to light the chain of events leading to the guerrillas' January 1981 offensive. What emerges is a highly disturbing pattern of parallel and coordinated action by a number of Communist and some radical countries bent on imposing a military solution.

The Cuban and Communist role in preparing for and helping to organize the abortive "general offensive" early this year is spelled out in the following chronology based on the contents of captured documents and other sources.

Initial Steps. The chronology of external support begins at the end of 1979. With salutations of "brotherly and revolutionary greetings" on December 16, 1979, members of the Communist Party of El Salvador (PCES), National Resistance (FARN), and Popular Liberation Forces (FPL) thank Fidel Castro in a letter for his help and "the help of your party comrades . . . by signing an agreement which establishes very solid bases upon which we begin building coordination and unity of our organizations." The letter, written in Havana, was signed by leaders of these three revolutionary organizations.

At an April 1980 meeting at the Hungarian Embassy in Mexico City, guerrilla leaders made certain "requests" (possibly for arms). Present at this meeting were representatives of the German Democratic Republic, Bulgaria, Poland, Vietnam, Hungary, Cuba, and the Soviet Union.

In notes taken during an April 28, 1980 meeting of the Salvadoran Communist Party, party leader Shafik Handal mentions the need to "speed up reorganization and put the Party on a war footing." He added, "I'm in agreement with taking advantage of the possibilities of assistance from the socialist camp. I think that their attitude is magnificent. We are not yet taking advantage of it." In reference to a unification of the armed movement, he asserts that "the idea of involving everyone in the area has already been suggested to Fidel himself." Handal alludes to the concept of unification and notes, "Fidel thought well of the idea."

Guerrilla Contacts in Havana.

From May 5 to June 8, 1980, Salvadoran guerrilla leaders report on meetings in Honduras, Guatemala, Costa Rica, and Nicaragua. They proceed to Havana and meet several times with Fidel Castro; the documents also note an interview with the German Democratic Republic (G.D.R.) Chairman Erich Honecker in Havana. During the Havana portion of their travels, the Salvadoran guerrilla leadership meets twice with the Cuban Directorate of Special Operations (DOE, the clandestine operations/special forces unit of the Cuban Ministry of Interior) to discuss guerrilla military plans. In addition, they meet with the Cuban "Chief of Communications."

During this period (late May 1980), the Popular Revolutionary Army (ERP) is admitted into the guerrilla coalition after negotiations in Havana. The coalition then assumes the name of the Unified Revolutionary Directorate (DRU)

VIETNAM PROMISES WEAPONS

Quantity	Type
192	9mm pistols
1,620	AR-15 (M-16) semiautomatic rifles
162	30-caliber machineguns
36	7.62mm M-60 machinegun
12	12.7-caliber M-50 antiaircraft machineguns
36	62mm mortars
12	81mm mortars
12	DKZ-57 antitank rocket launchers
15,000	9mm rounds
1,500,000	AR-15 rounds (5.56mm)
240,000	7.62mm M-60 rounds
240,000	30-caliber rounds
130,000	12.7-caliber M-50 rounds
9,000	62mm mortar rounds
4,000	81mm mortar rounds
1,500	DKZ-57 antitank rocket grenades

and meets with Fidel Castro on three occasions.

After the Havana meetings, Shafik Handal leaves Havana on May 30, 1980 for Moscow. The other Salvadoran guerrilla leaders in Havana leave for Managua. During the visit of early June, the DRU leaders meet with Nicaraguan revolutionary leaders (Sandinistas) and discuss: (1) a headquarters with "all measures of security"; (2) an "international field of operations, which they (Sandinistas) control"; and (3) the willingness of the Sandinistas to "contribute in material terms" and to adopt "the cause of El Salvador as its own." The meeting culminated with "dinner at Humberto's house" (presumably Sandinista leader Humberto Ortega).

Salvadoran Communist Party Leader's Travels in the East. From July 2 to July 22, 1980, Shafik Handal visits the U.S.S.R., Vietnam, the German Democratic Republic, Czechoslovakia, Bulgaria, Hungary, and Ethiopia to procure arms and seek support for the movement.

On June 2, 1980, Handal meets in Moscow with Mikhail Kudachkin, Deputy Chief of the Latin American Section of

MODERN WEAPONS NOW IN JERRILLA INVENTORY

Belgian FAL semiautomatic rifle
 German G-3 rifle
 U.S. M-1, M-16, and AR-15
 semiautomatic and automatic rifles
 Israeli UZI submachinegun and Galil
 assault rifle
 50 caliber machineguns
 U.S. M-60 machinegun
 U.S. and Soviet hand grenades
 U.S. and Chinese grenade launchers
 U.S. M-72 light antitank weapon
 81mm mortars



Photos display captured weapons
and munitions.



the Foreign Relations Department of the CPSU Central Committee. Kudachkin suggests that Handal travel to Vietnam to seek arms and offers to pay for Handal's trip.

Continuing his travels between June 9 and 15, Handal visits Vietnam where he is received by Le Duan, Secretary General of the Vietnamese Communist Party; Xuan Thuy, member of the Communist Party Central Committee Secretariat; and Vice Minister of National Defense Tran Van Quang. The Vietnamese, as a "first contribution," agree to provide 60 tons of arms. Handal adds that "the comrade requested air transport from the USSR."

From June 19 to June 24, 1980, Handal visits the German Democratic Republic (G.D.R.), where he is received by Hermann Axen, member of the G.D.R. Politburo. Axen states that the G.D.R. has already sent 1.9 tons of supplies to Managua. On July 21, G.D.R. leader Honecker writes the G.D.R. Embassy in Moscow that additional supplies will be sent and that the German Democratic Republic will provide military training, particularly in clandestine operations. The G.D.R. telegram adds that although Berlin possesses no Western-manufactured weapons—which the Salvadoran guerrillas are seeking—efforts will be undertaken to find a "solution to this problem." (NOTE: The emphasis on Western arms reflects the desire to maintain plausible denial.)

From June 24-27, 1980, Handal visits Czechoslovakia where he is received by Vasil Bilak, Second Secretary of the Czech Communist Party. Bilak says that some Czech arms circulating in the world market will be provided so that these arms will not be traced back to Czechoslovakia as the donor country. Transportation will be coordinated with the German Democratic Republic.

Handal proceeds to Bulgaria from June 27 to June 30, 1980. He is received by Dimitir Stanichev, member of the Central Committee Secretariat. The Bulgarians agree to supply German-origin weapons and other supplies, again in an apparent effort to conceal their sources.

In Hungary, from June 30 to July 3, 1980, Handal is received by Communist Party General Secretary Janos Kadar and "Guesel" (probably Central Committee Secretary for Foreign Affairs Andras Gyenes). The latter offers radios and

other supplies and indicates Hungarian willingness to trade arms with Ethiopia or Angola in order to obtain Western-origin arms for the Salvadoran guerrillas. "Guesel" promises to resolve the trade with the Ethiopians and Angolans himself, "since we want to be a part of providing this aid." Additionally, Handal secures the promise of 10,000 uniforms to be made by the Hungarians according to Handal's specifications.

Handal then travels to Ethiopia, July 3 to July 6. He meets Chairman Mengistu and receives "a warm reception." Mengistu offers "several thousand weapons," including: 150 Thompson sub-machineguns with 300 cartridge clips, 1,500 M-1 rifles, 1,000 M-14 rifles, and ammunition for these weapons. In addition, the Ethiopians agree to supply all necessary spare parts for these arms.

Handal returns to Moscow on July 22, 1980 and is received again by Mikhail Kudachkin. The Soviet official asks if 30 Communist youth currently studying in the U.S.S.R. could take part in the war in El Salvador. Before leaving Moscow, Handal receives assurances that the Soviets agree in principle to transport the Vietnamese arms.

Further Contacts in Nicaragua. On July 13, representatives of the DRU arrive in Managua amidst preparations for the first anniversary celebration of Somoza's overthrow. The DRU leaders wait until July 23 to meet with "Comrade Bayardo" (presumably Bayardo Arce, member of the Sandinista Directorate). They complain that the Sandinistas appear to be restricting their access to visiting world dignitaries and demanding that all contacts be cleared through them. During the meeting, Arce promises ammunition to the guerrillas and arranges a meeting for them with the Sandinista "Military Commission." Arce indicates that, since the guerrillas will receive some arms manufactured by the Communist countries, the Sandinista Army (EPS) will consider absorbing some of these weapons and providing to the Salvadorans Western-manufactured arms held by the EPS in exchange. (In January 1981 the Popular Sandinista Army indeed switched from using U.S.-made weapons to those of Soviet and East European origin.)

The DRU representatives also meet with visiting Palestine Liberation Organization (PLO) leader Yasir Arafat in Managua on July 22, 1980. Arafat promises military equipment, including arms

and aircraft. (A Salvadoran guerrilla leader met with FATAH leaders in Beirut in August and November, and the PL has trained selected Salvadorans in the Near East and in Nicaragua.)

On July 27, the guerrilla General Staff delegation departs from Managua for Havana, where Cuban "specialists" add final touches to the military plans formulated during the May meetings in Havana.

Arms Deliveries Begin. In mid-August 1980, Shafik Handal's arms-shopping expedition begins to bear fruit. On August 15, 1980, Ethiopian arms come part for Cuba. Three weeks later the tons of captured U.S. arms sent from Vietnam are scheduled to arrive in Cuba.

As a result of a Salvadoran delegation's trip to Iraq earlier in the year, the guerrillas receive a \$500,000 logistics donation. The funds are distributed to Sandinistas in Nicaragua and within El Salvador.

By mid-September, substantial quantities of the arms promised to Handal well on the way to Cuba and Nicaragua. The guerrilla logistics coordinator in Nicaragua informs his Joint General Staff on September 26 that 130 tons of arms and other military material supplied by the Communist countries have arrived in Nicaragua for shipment to El Salvador. According to the captured documents, this represents one-sixth of the commitments to the guerrillas by the Communist countries. (NOTE: To get an idea of the magnitude of this commitment, the Vietnamese offer of only 60 tons included million rifle and machinegun bullets, 14,500 mortar shells, 1,620 rifles, 210 machineguns, 48 mortars, 12 rocket launchers, and 192 pistols.)

In September and October, the number of flights to Nicaragua from Cuba increased sharply. These flights had the capacity to transport several hundred tons of cargo.

At the end of September, despite appeals from the guerrillas, the Sandinistas suspend their weapons deliveries to El Salvador for 1 month, after the U.S. Government lodges a protest to Nicaragua on the arms trafficking.

When the shipments resume in October, as much as 120 tons of weapons and materiel are still in Nicaragua and some 300-400 tons are in Cuba. Because of difficulty of moving such large quantities overland, Nicaragua—with Cuban support—begins airlifting arms from Nicaragua into El Salvador. In November, about 2.5 tons of arms are delivered

air before accidents force a brief halt to the airlift.

In December, Salvadoran guerrillas, encouraged by Cuba, begin plans for a general offensive in early 1981. To provide the increased support necessary, the Sandinistas revive the airlift into El Salvador. Salvadoran insurgents protest that they cannot absorb the increased flow of arms, but guerrilla liaison members in Managua urge them to increase their efforts as several East European nations are providing unprecedented assistance.

A revolutionary radio station—*Radio Liberacion*—operating in Managua begins broadcasting to El Salvador on December 15, 1980. It exhorts the populace to mount a massive insurrection against the government. (References to the Sandinistas sharing the expenses of a revolutionary radio station appear in the captured documents.)

On January 24, 1981, a Cessna from Managua crashes on takeoff in El Salvador after unloading passengers and possibly weapons. A second plane is used by the Salvadoran Air Force, and the pilot and numerous weapons are captured. The pilot admits to being an employee of the Nicaraguan national airline and concedes that the flight originated

from Sandino International Airport in Managua. He further admits to flying two earlier arms deliveries.

Air supply is playing a key role, but infiltration by land and sea also continues. Small launches operating out of several Nicaraguan Pacific ports traverse the Gulf of Fonseca at night, carrying arms, ammunition, and personnel. During the general offensive on January 13, several dozen well-armed guerrillas landed on El Salvador's southeastern coast on the Gulf of Fonseca, adjacent to Nicaragua.

Overland arms shipments also continue through Honduras from Nicaragua and Costa Rica. In late January, Honduran security forces uncover an arms infiltration operation run by Salvadorans working through Nicaragua and directed by Cubans. In this operation, a trailer truck is discovered carrying weapons and

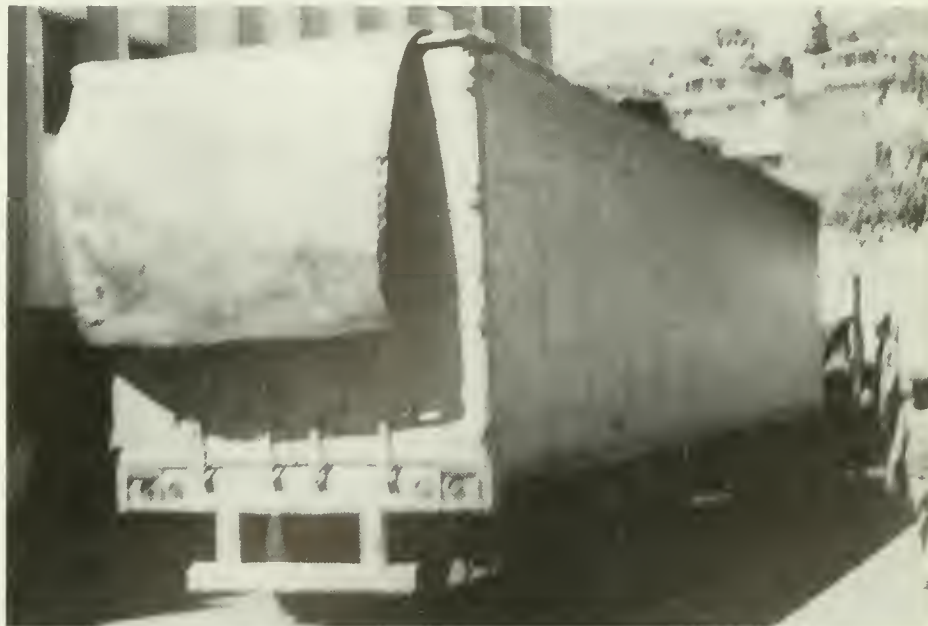
ammunition destined for Salvadoran guerrillas. Weapons include 100 U.S. M-16 rifles and 81mm mortar ammunition. These arms are a portion of the Vietnamese shipment: A trace of the M-16s reveals that several of them were shipped to U.S. units in Vietnam where they were captured or left behind. Using this network, perhaps five truckloads of arms may have reached the Salvadoran guerrillas.

The availability of weapons and materiel significantly increases the military capabilities of the Salvadoran insurgents. While attacks raged throughout the country during the "general offensive" that began on January 10, it soon became clear that the DRU could not sustain the level of violence without suffering costly losses in personnel. By the end of January, DRU leaders apparently decided to avoid direct confrontation with

late January, Honduran authorities seized a refrigerated trailer truck which was being used to smuggle arms to the Salvadoran guerrillas. Approximately 100 M-16 rifles, some of which were traceable to Vietnam, along with a large cache of ammunition and mortar rounds, were discovered in the poorly insulated top of the truck. The truck also contained extra sets of license plates from the Central American states as well as quantities of Communist propaganda materials.

Left: View of truck from rear.

Right: View of truck from above.



-7-

IX - Andrés Bello del Secretario General del PCOfrecimiento de Viet Nam (5 de septiembre estarán en Esmeralda)

192 pistolas 9 mm.

~~1000~~ 20 AR 15~~1500~~ 12 ametralladoras M 30~~250~~~~120~~

"

pesadas M⁵⁰M⁵⁰ calibre 12.7~~80~~ morteros de 62 mm.~~12~~ morteros de 81 mm.~~12~~ lanzacohetes anti-tanque DKZ-57~~10000~~ cartuchos de 9 mm.~~1000000~~ ? de AR 15~~1000000~~ " para ametralladora M 30~~1000000~~ " " " M 60 (7.62)~~1000000~~ ametralladora M 50 (12.7)~~10000~~ Obuses para morteros de 61mm.~~10000~~ " " " 81 mm.~~10000~~ " " anti-tanques DKZ-57Guinea60 Toneladas

150 subametralladoras Thompson con 300 cargadores.

~~10000~~ fusiles M₁~~10000~~ " M₁₄~~100000~~ tiros calibre 45 para las Thompson~~1000000~~ M₁~~1000000~~ M₁₄ con 200 cargadores.

Piezas de repuesto

El 15 de agosto salía este cargamento para Habana.

Bulgaria~~1000~~ subametralladoras de fabricación alemana con 200.000 tiros.~~10~~ comet. calibre 30 con 50.000 tiros~~100000~~ uniformes~~20000~~ botiquines individuales para combatientes

Estos dos últimos rubros serán enviados cuando se le proporcione modelos.

ChecoslovaquiaEnviarán armas checas. No pueden cambiar en occidentales.
No precisaron cantidad en armas.Hungría

Radio-comunicadores de ondas cortas y ultra corta.

~~40~~ cortas y 12 ultracortas~~100000~~ uniformes conforme modelos y talla que se envíen

government forces and reverted to sporadic guerrilla terrorist tactics that could reduce the possibility of suffering heavy casualties.

II. The Government: The Search for Order and Democracy

Central America's smallest and most densely populated country is El Salvador. Since its independence in 1821, the country has experienced chronic political in-

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DO IN

...a organizations and their political fronts through the Democratic Revolutionary Front (FDR), most of whose activities take place outside El Salvador.

The Government of El Salvador—headed since last December by Jose Napoleon Duarte, the respected Christian Democrat—denied office by the military in the Presidential elections of 1972—faced armed opposition from the extreme right as well as from the left. Exploiting their traditional ties to the security forces and the tendency of some

members of the security forces to abuse their authority, some wealthy Salvadorans affected by the Duarte government's reforms have sponsored terrorist activities against supporters of the agrarian and banking reforms and against the government itself.

A symbiotic relationship has developed between the terrorism practised by extremists of both left and right. Thousands have died without regard to class, creed, nationality, or politics. Brutal and still unexplained murders in December of four American churchwomen—and in January of two American trade unionists—added U.S. citizens to the toll of this tragic violence. The United States has made clear its interest in a complete investigation of these killings and the punishment of those responsible.

Despite bitter resistance from right and left, the Duarte government has stuck to its reform programs and has adopted emergency measures to ease the lot of the poor through public works, housing projects, and aid to marginal communities. On the political front, it has offered amnesty to its opponents, scheduled elections for a constituent assembly in 1982, and pledged to hand power over to a popularly elected government no later than mid-1983.

The government's pursuit of progress with order has been further hampered by the virtual breakdown of the law enforcement and judicial system and by the lack of an effective civil service.

The introduction of the reforms—some of which are now clearly irreversible—has reduced popular support for those who argue that change can only come about through violence. Few Salvadorans participate in antigovernment demonstrations. Repeated calls by the guerrillas for general strikes in mid- and late 1980 went unheeded. The Duarte government, moreover, has made clear its willingness to negotiate the terms of future political processes with democratic members of all opposition forces—most notably, by accepting the offer of El Salvador's Council of Bishops to mediate between the government and the Democratic Revolutionary Front.

In sum, the Duarte government is working hard and with some success to deal with the serious political, social, and economic problems that most concern the people of El Salvador.

U.S. Support. In its commitment to reform and democracy, the Government of El Salvador has had the political support of the United States ever since the

October 1979 revolution. Because we give primary emphasis to helping the people of El Salvador, most of our assistance has been economic. In 1980, the United States provided nearly \$56 million in aid, aimed at easing the conditions that underlie unrest and extremism. This assistance has helped create jobs, feed the hungry, improve health and housing and education, and support the reforms that are opening and modernizing El Salvador's economy. The United States will continue to work with the Salvadoran Government toward economic betterment, social justice, and peace.

Because the solution in El Salvador should be of the Salvadorans' own making and nonviolent, the United States has carefully limited its military support. In January, mounting evidence of Communist involvement compelled President Carter to authorize a resupply of weapons and ammunition to El Salvador—the first provision of lethal items since 1977.

IV. Some Conclusions

The foregoing record leaves little doubt that the Salvadoran insurgency has become the object of a large-scale commitment by Communist states outside Latin America.

- The political direction, organization, and arming of the insurgency is coordinated and heavily influenced by Cuba—with active support of the Soviet Union, East Germany, Vietnam, and other Communist states.

- The massing and delivery of arms to the Salvadoran guerrillas by those states must be judged against the fact that from 1977 until January 1981 the United States provided no weapons or ammunition to the Salvadoran Armed Forces.

- A major effort has been made to provide "cover" for this operation by supplying arms of Western manufacture and by supporting a front organization known as the Democratic Revolutionary Front to seek non-Communist political support through propaganda.

- Although some non-Communist states have also provided material support, the organization and delivery of this assistance, like the overwhelming mass of arms, are in the hands of Communist-controlled networks.

In short, over the past year, the insurgency in El Salvador has been progressively transformed into a textbook case of indirect armed aggression by Communist powers through Cuba. ■

-7-

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192 pistolas 9 mm.

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government forces and reverted to sporadic guerrilla terrorist tactics that would reduce the possibility of suffering heavy casualties.

II. The Government: The Search for Order and Democracy

Central America's smallest and most densely populated country is El Salvador. Since its independence in 1821, the country has experienced chronic political instability and repression, widespread poverty, and concentration of wealth and power in the hands of a few families. Although considerable economic progress took place in the 1960s, the political system remained in the hands of a traditional economic elite backed by the military. During the 1970s, both the legitimate grievances of the poor and landless and the growing aspirations of the expanding middle classes met increasingly with repression. El Salvador has long been a violent country with political, economic, and personal disputes often resulting in murders.

The Present Government. Aware of the need for change and alarmed by the prospect of Nicaragua-like chaos, progressive Salvadoran military officers and civilians overthrew the authoritarian regime of General Carlos Humberto Romo in October 1979 and ousted nearly 100 conservative senior officers.

After an initial period of instability, the new government stabilized around a coalition that includes military participants in the October 1979 coup, the Christian Democratic Party, and independent civilians. Since March 1980, this coalition has begun broad social changes: diversion of large estates into peasant cooperatives, distribution of land to tenant farmers, and nationalization of foreign trade and banking.

Four Marxist-Leninist guerrilla groups are using violence and terrorism against the Salvadoran Government and its reforms. Three small non-Marxist-Leninist political parties—including a Social Democratic Party—work with guerrilla organizations and their political fronts through the Democratic Revolutionary Front (FDR), most of whose activities take place outside El Salvador.

The Government of El Salvador—founded since last December by Jose Napoleon Duarte, the respected Christian Democrat—denied office by the military in the Presidential elections of 1972—faced armed opposition from the extreme right as well as from the left. Exploiting their traditional ties to the security forces and the tendency of some

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The introduction of the reforms—some of which are now clearly irreversible—has reduced popular support for those who argue that change can only come about through violence. Few Salvadorans participate in antigovernment demonstrations. Repeated calls by the guerrillas for general strikes in mid- and late 1980 went unheeded. The Duarte government, moreover, has made clear its willingness to negotiate the terms of future political processes with democratic members of all opposition forces—most notably, by accepting the offer of El Salvador's Council of Bishops to mediate between the government and the Democratic Revolutionary Front.

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El Salvador: A Brief Background

Following is a reprint of the El Salvador Background Notes.

PEOPLE AND HISTORY

The population of El Salvador is remarkably homogeneous, with almost 90% of mixed Indian and Spanish extraction. El Salvador has no significant minorities. An estimated 60% of the population live in rural areas.

While a few Indians have retained many of their old customs and traditions, the majority have adopted the Spanish language and culture.

Prior to the Spanish conquest, the area which is now El Salvador was made up of two large Indian states and several principalities. The indigenous inhabitants were the Pipils, a tribe of nomadic Nahua people long established in Mexico. Early in their history they

were one of the few Indian groups to abolish human sacrifice. Their civilization was similar to that of their Aztec cousins. Remains of Nahua culture may be found today at ruins such as Tazumal (near Chalchuapa) and San Andres (northeast of Armenia).

The first Spanish attempt to subjugate this area failed in 1524 when Pedro de Alvarado was forced to retreat by Pipil forces. In 1525 he returned and succeeded in bringing the district under control of the Captaincy General of Guatemala, where it remained until 1821, despite an abortive revolutionary attempt in 1811.

In 1821 El Salvador and the other Central American provinces declared their independence from Spain. When these provinces joined together with Mexico in early 1822, El Salvador resisted, insisting on autonomy for the

Central American countries. Guatemalan troops sent down to enforce the union were driven out of El Salvador in June of 1822. In early 1823 General Manuel Jose Arce's army was defeated by the Mexicans, and it was before this contest was decided that El Salvador, fearing incorporation into Mexico, petitioned the U.S. Government for statehood. In February 1823, however, a revolution in Mexico ousted the Emperor Iturbide, and a new Mexican Congress voted to allow the Central American provinces to decide their own fate. In 1823 the Federal Republic of Central America was formed independently by the five Central American states under Arce. When this federation was dissolved in 1838, El Salvador began its existence as an independent Republic.

As elsewhere in Central America:

People

NATIONALITY: *Noun and adjective—* Salvadoran(s). **POPULATION** (mid-1979): 1.67 million. **ANNUAL GROWTH RATE** (1968-78): 3%. **DENSITY:** 218 per sq. km. (570 per sq. mi.). **ETHNIC GROUPS:** Mestizo 89%, Indian 10%, Caucasian 1%. **RELIGION:** Largely Roman Catholic, with activity by Protestant groups throughout the country. **LANGUAGE:** Spanish. **EDUCATION:** *Years compulsory—*10. *Attendance—*65%. *Literacy—*urban areas 50%, rural areas 30%. **HEALTH:** *Infant mortality rate—*60/1,000 (US 13.8/1,000). *Life expectancy—*males 56.7 yrs., females 59.7. **WORK FORCE** (1.5 million): *Agriculture—*47%, *Industry—*8%, *Services—*11%, *Government and other—*9%.

Geography

AREA: 21,176 sq. km. (8,260 sq. mi.); about the size of Mass. **CITIES:** *Capital* San Salvador (pop. 100,000). **TERRAIN:** Mountains separate country into three distinct regions: southern coastal belt; central valleys and plateaus; and northern mountains. **CLIMATE:** Semitropical, distinct wet and dry seasons.

Government

TYPE: Republic. **CONSTITUTION:** January 8, 1962. **INDEPENDENCE:** 1821.

BRANCHES: *Executive—*5-member civilian-military council. *Legislative—*suspended. *Judicial—*independent (Supreme Court).

ADMINISTRATIVE SUBDIVISIONS: 14 Departments.

POLITICAL PARTIES: Christian Democratic Party (PDC), National Revolutionary Movement (MNR), Party of National Conciliation (PNC), Communist Party of El Salvador (PCS), Democratic Popular Union (UDP). **SUFFRAGE:** Universal over 18.

CENTRAL GOVERNMENT BUDGET (1980 est.): \$400 million.

DEFENSE (1979): 12.6% of total expenditures.

NATIONAL HOLIDAY: Independence Day, September 15.

FLAG: Two dark blue horizontal stripes and a white middle band; in the center, a coat of arms inscribed "1821," the year of independence from Spain.

Economy

GDP (1978): \$3.1 billion. **ANNUAL GROWTH RATE** (1970-78): 5%. **PER CAPITA INCOME** (1978): \$650. **AVG. RATE OF INFLATION** 1980: 30%.

AGRICULTURE: *Products—*coffee (15% of GNP), livestock, cotton, corn, poultry, sugar, sorghum. *Land—*67% arable; cultivated or pasture.

INDUSTRY (15% OF GNP): *Type* food and beverages, textiles, footwear, clothing, chemical products, petroleum products.

TRADE (1980 est.): *Exports—*(f.o.b.) \$1 billion: coffee (\$589 million), sugar (million), cotton (\$86 million), shrimp (million); \$250 million to Central American Common Market (CACM); \$56 million rest of world. *Partners:* CACM 22%; U.S. 32%; EC 33%. *Imports—*(c.i.f.) \$960 million: machinery, autos, petroleum. *Partners:* U.S. 29%, CACM 22%, EC 15%, Japan 11%.

OFFICIAL EXCHANGE RATE: 2 colones = US\$1.

FISCAL YEAR: Calendar year.

ECONOMIC AID RECEIVED: US\$63 million (FY 1981) IFI assistance—\$36 million (1980 disbursement est.).

DEBT SERVICE CHARGES AS % OF EXPORTS: 1979—2.6%; 1980—3.5%; 1981—4.5% (World Bank figures).

MEMBERSHIP IN INTERNATIONAL ORGANIZATIONS: UN, OAS, G-77, CACM, INTELSAT.



requent revolutions have marked El Salvador's history as an independent state, although relative stability was achieved in the period 1900-30 and in the 1950s. Since the 1931 election of General Maximilian Hernandez Martinez, every succeeding President has been an army officer with the exception of the provisional executive who served for months. In late summer of 1960 the constitutional government of Lieutenant Colonel Jose Maria Lemus alienated much of its popular support in a series of clashes with demonstrating university students, and on October 26, 1960, he was overthrown in a bloodless coup.

In July 1969, El Salvador and Honduras fought a brief but bloody war, as the result of unresolved differences over the disputed border, heightened by nationalist feelings following a series of border games between the two countries. At some points Salvadoran troops penetrated up to 29 kilometers (18 mi.) into Honduras. After 5 days, the Organization of American States (OAS) mediated a cease-fire, and effected a

subsequent Salvadoran withdrawal. A "pacification zone" along the border was agreed upon by both countries. The two countries formally signed a peace treaty on October 30, 1980, which establishes the basis for resolving the border dispute. Full diplomatic and trade relations will be restored.

The peace agreement was achieved following initiatives taken by the Revolutionary Government that ousted President Carlos Romero on October 15, 1979. Reform-minded army officers at that time carried out a bloodless coup d'etat and installed a five-member governing council.

GEOGRAPHY

El Salvador is located in Central America and is bordered by Guatemala, Honduras, and Nicaragua, from which it is separated by the Gulf of Fonseca. The country faces the Pacific Ocean to the south.

The country is separated by mountain ranges running east to west, forming three distinct regions: a hot, nar-

row Pacific coastal belt on the south; a subtropical central region of valleys and plateaus, where most of the population lives; and a mountainous northern region. Ninety percent of the land is of volcanic origin. Almost all of the arable land is under cultivation, and coffee is planted high on the mountains. The average temperature in San Salvador for the last 20 years was 22°C (73°F), and the average at the beach was 26°C (80°F).

GOVERNMENT

On October 15, 1979, young military officers ousted President Carlos Humberto Romero and joined with moderate civilian leaders to undertake a peaceful and democratic revolution. Progressive civilians joined them to form the Revolutionary Junta of Government (JRG) committed to profound

social and economic reforms, respect for human rights, and democracy.

The present Revolutionary Government Council includes three civilians (two Christian Democrats and one independent) and one military officer.

The governing Council has assumed the functions formerly held by the executive and legislative branches under the Romero regime while the judicial branch remains fully functional and independent. The formation of a Council of State which will include representatives from a wide variety of labor, professional, and business organizations was announced in December 1980.

Principal Government Officials

Members of the Governing Council

President—Jose Napoleon Duarte Fuentes

Vice President, Commander-in-Chief—Col. Jaime Abdul Gutierrez

Dr. Jose Ramon Avalos Navarette
Jose Antonio Morales Ehrlich

Ministers

Foreign Affairs—Dr. Fidel Chavez Mena

Justice—Mario Antonio Solano

Economy—Guillermo Diaz Salazar

Education—Carlos Aquillino Duarte

Security—Jose Garcia Marino

Labor—Julio Alfredo Samayoa

Public Health—Dr. Rodolfo Giron Flores

Planning—Atilio Vieyetz

Agriculture—Octavio Orellana Solis

Public Works—Jorge Alberto Morales Guillen

Ambassador to the United States—Francisco Aquino

Representative to the O.A.S.—Ernesto Arrieta Peralta

Ambassador to the U.N.—Mauricio Rosales

El Salvador maintains an Embassy in the United States at 2308 California Street NW., Washington, D.C. 20008 (tel. 202/265-3480).

POLITICAL CONDITIONS

After the overthrow of President Carlos Humberto Romero in October 1979, both left and right were caught by surprise. The far left accused the new civilian-military government of being a puppet of the United States and of the far right, and it moved to provoke open

confrontation. The far right attempted to block the reform measures, and, when those pressures failed, it too attempted to overthrow the government.

In January 1980 the first junta dissolved because it could neither implement reforms nor deal with increasing violence. The young officers responsible for the October 15 movement did not waver in their commitment and succeeded in persuading the Christian Democrats to join them in an interim coalition until a new government could be freely elected. In March 1980 a series of sweeping economic reforms was announced including: 1) an agrarian reform which expropriated all estates larger than 1,250 acres, and set the stage for granting 90% of all other arable land to peasant cooperatives or sharecroppers, 2) financial reforms, primarily through the nationalization of banks, and 3) nationalization of export marketing of primary products (coffee, sugar, and cotton). These moves effectively broke the control of the country by a privileged economic elite and confirmed the Revolutionary Government's credentials through concrete action.

In May 1980 the leftist opposition to the government formed the Unified Revolutionary Directorate (DRU) which in its manifesto is dedicated to the establishment of a Marxist, totalitarian government in El Salvador. In late 1980 the DRU and its largest organized component, the Democratic Revolutionary Front (FDR), refused overtures from the government to participate in a peaceful dialog and political process and rejected an offer from the Catholic Church to mediate an end to the violence.

On October 15, 1980, the government announced an amnesty for all its opponents willing to lay down their arms and to end the violence. Some individual guerrillas (about 260 during the first month) surrendered their arms and accepted the amnesty. The government also announced the formation of an electoral commission, elections for a constituent assembly in 1982, and free elections leading to the installation of a new government by mid-1983. Nevertheless, terrorist violence and associated guerrilla activity have continued throughout the country.

ECONOMY

Fundamental characteristics of the Salvadoran economy include the highest population density in mainland Latin America, 4.67 million people in an area the size of Massachusetts, and a population growth rate greater than 3%. Severe pressure exists on limited arable land and exploitable natural resources. High illiteracy, unemployment, and underemployment reduce opportunities in both agriculture and industry for the highly regarded and productive Salvadoran workers.

The small industrial sector, mostly related to the processing or production of light consumer goods, has developed significantly in the last two decades. The economic infrastructure such as roads, electric power, and commercial banking facilities, is fairly well developed. The economy is still primarily agricultural, with coffee representing more than 50% of total exports, followed in value by cotton and sugar. Corn, beans, and sorghum are the chief subsistence crops. In 1979, coffee contributed about 15% to GNP, about the same as the value added by the industrial sector.

The United States is El Salvador's principal trading partner, taking about 32% of its exports (mostly coffee, sugar, and shrimp) and providing 29% of its imports (mainly manufactured goods, vehicles, and machinery.) Although the U.S. market share dropped during the 1960s as U.S. products were displaced by imports from other Central American countries in the new-formed Central American Common Market, the U.S. market share has risen in recent years, partly as a result of changes in parity among major currencies which have made U.S. goods more competitive.

Private U.S. investment in El Salvador is estimated at \$100 million, primarily in banking, refining, oil importing, and manufacturing.

The GNP throughout the 1960s and 1970s increased at annual rates averaging more than 5%. Like most other developing countries, El Salvador recovered from the 1973-74 oil crisis only to again face another sharp jump in its oil bill, beginning with the cutback in Iranian production in late 1978.

Since late 1978, the economy has been in a state of continual decline. GNP decreased 1.5% in 1979 and a decrease of near 10% in 1980 is expected. Growing violence has caused a decline

private investment. Industrial output and construction activity have also declined.

The socioeconomic reforms announced by the government in 1980 are expected to have a positive long-term impact. The land reform announced in March 1980 is being implemented in three stages. In the first stage all landholdings over 1,250 acres—largely estates producing sugar and cotton—have been converted into cooperatives. A second stage (land-to-the-tiller) seeks to turn over 7-hectare (17-acre) family farms to tenants who had sharecropped on smaller holdings of less than 100 hectares (250 acres). The final stage, which may be implemented in 1981, will affect landholdings between 100 and 500 hectares (250-1,250 acres). The land reform program has been bitterly opposed by extremists of both the left and the right employing terrorist violence. The left has stepped up violence to prevent full implementation of the reforms. Some of the largest landowners who have lost part of their power base in the country as a result of the reforms have also opposed the program.

The government has also initiated banking reforms in which it has assumed 51% of the ownership of all local banks and savings institutions. The measure is aimed at redirecting credit from traditional users to new landowners, cooperatives, and small businesses. Export sector reforms have nationalized the marketing of El Salvador's three most important export crops—coffee, cotton, and sugar.

As of late 1980 the Salvadoran economy faced a difficult short-term outlook. Earnings from coffee exports were declining due to the fall in world coffee prices, inflation averaged over 30%, and unemployment was on the rise. The country's deteriorating foreign exchange position poses a crucial immediate problem with credits for essential imports in short supply. El Salvador seeks foreign credits to finance necessary imports of raw materials and intermediate goods until such

time as the political and economic situation becomes more stable.

International Monetary Fund (IMF) resources of over \$40 million entered the economy in 1980 and further assistance is expected in 1981. The Inter-American Development Bank is proceeding with \$65 million in new loans and the World Bank will add to its present programs which amount to \$126.7 million. The U.S. Agency for International Development extended \$63 million in assistance during FY 1981 and plans further substantial assistance in FY 1982. Other U.S. assistance in economic support funds and PL 480 (Food for Peace) adds to these figures.

FOREIGN RELATIONS

El Salvador is a member of the United Nations and several of its specialized agencies and the Organization of American States (OAS). It has aligned itself with non-Communist Western democratic countries. It has no relations with Cuba but has trade relations with a few of the Communist-bloc countries.

San Salvador is the site of the headquarters of the Organization of Central American States (ODECA), and El Salvador is a member of the various organizations and treaties which make up the Central American Common Market (CACM).

The conflict between El Salvador and Honduras in 1969 was a major concern of the Salvadoran Government until recently. Normal relations were reestablished with Honduras following the signing of a peace agreement on October 30, 1980. Difficulties inherent in the CACM were becoming evident even before the 1969 Honduran conflict. The primary concern was that certain of the members were drawing less benefit from the CACM than others. Talks held during 1970 in an effort to arrive at a new agreement for the operation of the CACM to resolve these problems were not successful. Efforts to restructure and revitalize the CACM are expected to intensify in 1981.

U.S.-SALVADORAN RELATIONS

Traditionally, U.S.-Salvadoran relations have been cordial and close. Under the Romero government, though, highly publicized human rights violations in

El Salvador strained the relationship. The current government has pledged to respect human rights.

The U.S. Government wishes to: 1) maintain friendly and mutually beneficial relations with El Salvador; 2) encourage and assist the Revolutionary Government to continue and increase its efforts to secure political stability founded on democratic institutions, implement its basic socioeconomic reforms, and improve the living standards and general welfare of the Salvadoran people; 3) cooperate with the OAS to realize El Salvador's objective in assisting the success of the October 30 peace treaty; 4) encourage El Salvador to join its Central American neighbors in continued efforts to rejuvenate the CACM for the mutual economic benefit of the countries of the region; and 5) encourage El Salvador's continued support of the international principles and policies such as human rights and nonintervention to which the United States and other free nations subscribe.

The U.S. Embassy in El Salvador is located at 25 Avenida Norte No. 1230, San Salvador (tel. 26-7100, 25-9984). ■

Single copies of the *Notes* and *Notes* on over 160 other countries are on sale for \$1.00 (\$1.25 foreign) by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Subscription price is \$16.00 per year; \$20.00 for foreign mailing.

News Conference of January 29 (Excerpts)

Q. Will your policy toward Iran be one of revenge or reconciliation? And will the United States honor the recent commitments to Iran, especially since you approved of most of them during the campaign?

A. I'm certainly not thinking of revenge, and I don't know whether reconciliation would be possible with the present government, or absence of a government, in Iran.

I think that the United States will honor the obligations. As a matter of fact, the most important of those were already put into effect by the preceding Administration in negotiating the release. We are, however, studying, because there were four major agreements and there were ten Executive orders, and we are studying, thoroughly, what is a pretty complex matter, we've discovered, with regard to whether they are keeping with international and our own national laws. And so, I won't be able to really answer your questions on specifics until we've completed that study.

Q. In your welcoming address to the freed Americans, you sounded a warning of swift and effective retribution in future terrorist situations. What kind of action are you prepared to take to back up this hard rhetoric?

A. That's a question that I don't think you can or should answer as to specifics. This is a big and it's a powerful nation. It has a lot of options open to it, and to try and specify now just particularly what you should do, I think, is one of the things that's been wrong.

People have gone to bed in some of these countries that have done these things to us in the past confident that they can go to sleep, wake up in the morning, and the United States wouldn't have taken any action. What I meant by that phrase was that anyone who does

these things, violates our rights in the future, is not going to be able to go to bed with that confidence.

Q. You campaigned rather vociferously against the SALT II Treaty, saying it was slightly toward the Soviet Union. Yet I noticed your Secretary of State, Mr. Haig, now seems to suggest that for the time being, at least, the United States will abide by the limits of the SALT II Treaty, and he hopes the Soviet Union will, too. How long do you intend that the United States should abide by the terms of a SALT agreement which you consider inequitable, and what do you consider its greatest inequities to be?

A. The SALT Treaty, first of all, I think, permits a continued buildup on both sides of strategic nuclear weapons but, in the main thing, authorizes an immediate increase in large numbers of Soviet warheads. There is no verification as to the number of warheads on the missile, no method for us to do this.

I don't think that a treaty—SALT means strategic arms limitation—that actually permits a buildup, on both sides, of strategic nuclear weapons can properly be called that. And I have said that when we can—and I am willing for our people to go in to negotiate or, let me say, discussions leading to negotiations—that we should start negotiating on the basis of trying to effect an actual reduction in the numbers of nuclear weapons. That would then be real strategic arms limitation.

And I happen to believe, also, that you can't sit down at a table and just negotiate unless you take into account, in consideration, all the other things that are going on. In other words, I believe in linkage.

Q. What do you see as the long-range intentions of the Soviet Union? Do you think, for instance, the Kremlin is bent on world domination that might lead to a continuation of the cold war, or do you think that under other circumstances detente is possible?

A. So far detente's been a one-way street that the Soviet Union has used to pursue its own aims. I don't have to think of an answer as to what I think their intentions are; they have repeated it. I know of no leader of the Soviet Union since the revolution, and including the present leadership, who has not, more than once, repeated in the various Communist congresses they hold their determination that their goal must be the promotion of world revolution and a one-world Socialist or Communist state, whichever word you want to use.

Now as long as they do that and as long as they, at the same time, have openly and publicly declared that the only morality they recognize is what will further their cause—meaning they reserve unto themselves the right to commit any crime, to lie, to cheat, in order to attain that, and that is moral, not immoral, and we operate on a different set of standards—I think, when you do business with them, even at a detente, you keep that in mind.

Q. What is your opinion of American companies that now want to resume business with Iran?

A. I hope they're going to do it by long distance. [Laughter] We wouldn't want to go back to having just different cast of characters, but the same show going on. [Laughter]

I can understand that, particularly in the field of energy, their wanting to do that, but we are urging the people to think long and hard before they travel to Iran, because we don't think their safety can be guaranteed there.

Q. Three Americans are still incarcerated in Iran. Can you tell us the status of their cases and whether the Administration is doing anything to get them back?

A. I have told our people about those three. They knew about them, of course, but I've told them that, yes, we continue, and we want to get them back also.

Q. During the campaign you repeatedly talked about the unfairness of



White House photo by Jack Kightlinger

grain embargo, as you saw it. Do you have second thoughts now, or will you lift the grain embargo?

A. My quarrel with it from the first was that I thought it was asking only one group of Americans to participate—the farmers.

You only have two choices with an embargo: You either lift it, or you broaden it. And we have not made a decision except that at the request of Secretary of Agriculture John Block, I have taken the matter of the embargo out of my mind. I might say, the discussions of the National Security Council, and it, next week, is on the agenda for a full Cabinet meeting as to what our course will be. So I can't answer what we do about it until next week.

As I say, it was asking one group of Americans to bear the burden, and I have always thought it was more of a kind of gesture than it was something real.

...

Q. When the Jamaican Prime Minister was here yesterday, Mr. Seaga, he suggested, publicly, that now might be a

good time for you, as the new President, to have a foreign policy initiative for Latin America and for the Caribbean. Do you intend to follow that suggestion, and if so, how would your policies differ from those of former President Carter?

A. I think we've seen a great reverse in the Caribbean situation, and it came about through Prime Minister Seaga's election. It was the turn-over, or turn-around, of a nation that had gone, certainly, in the direction of the Communist movement; it was a protege of Castro. And his election was greeted by me with great enthusiasm, because it represented the people by their vote, having experienced that kind of government, turned another direction.

And I think this opens the door for us to have a policy in the Caribbean of bringing them back in—those countries that might have started in that direction—or keeping them in the Western World, in the free world. And so, we are looking forward to cooperation with Prime Minister Seaga.

...

Q. I know you said earlier that you were not thinking of revenge toward Iran. But does that preclude any punishment whatsoever for what they've done?

A. Again, I have to ask your forbearance and wait until we've finished our study of this whole situation as to what we're going to do. I don't think any of us have a friendly feeling toward the people who have done what they have done. But I think it's too complex for me to answer until we've had time to really study this.

Q. Would you go so far as to encourage American businesses to resume commercial trade with Iran?

A. At this point, no.

...

Q. Iran and the Soviet Union share a long border in a region vital to the future stability of the world. Given the anti-U.S. sentiment there, how do you best think the United States can insure the stability of the region, the Persian Gulf region?

A. I think one of the first things that has to happen for stability, has got to be, in Iran itself, to establish a government that can speak as a government for Iran. And part of our problem in all these long 444 days has been the inability of anyone, seemingly, to speak for that nation, to have a government. Now, I think that any country would want to help another if it really showed an intent to have a government that would abide by international law and do what it could to help it in that regard. But until such a thing is apparent there, I don't know that there's anything we can do.

Q. If it's your intention to signal the world that this country will respond with swift retribution in cases of international terrorism in the future, why is it your policy not to retaliate against Iran?

A. What good would just revenge do, and what form would that take? I don't think revenge is worthy of us. On the other hand, I don't think we act as if this never happened. And I'd rather wait until, as I say, we complete this study.

...

Full text can be found in the Weekly Compilation of Presidential Documents of Feb. 2, 1981. ■

Visit of Korean President Chun Doo Hwan

President Chun Doo Hwan of the Republic of Korea made an official visit to Washington, D.C., February 1-3, 1981, to meet with President Reagan. Following is the full text of the joint communique issued following their meeting on February 2.¹

1. At the invitation of President Ronald W. Reagan, the President of the Republic of Korea and Mrs. Chun Doo Hwan made an official visit to Washington, D.C. from February 1 to 3, 1981.

2. The two Presidents met at the White House on February 2 to exchange views on the current international situation and to discuss matters of mutual interest in an atmosphere of friendship and cordial respect. Among those present at the meeting were Vice President George Bush, Secretary of State Alexander Haig, Secretary of Defense Caspar Weinberger, United States Trade Representative William E. Brock, Jr., Counsellor to the President Edwin Meese III, Chief of Staff James Baker III, Assistant to the President for National Security Affairs Richard Allen, Deputy Chief of Staff Michael K. Deaver, and Ambassador William Gleysteen from the American side; and Deputy Prime Minister Shin Byong Hyun, Foreign Minister Lho Shin Yong, Minister of National Defense Choo Yong Bock, Ambassador Kim Yong Shik, and Secretary General to the President Kim Kyong Won from the Korean side.

3. The two Presidents reviewed the world situation and reaffirmed the critical importance of maintaining peace on the Korean peninsula and in Northeast Asia. President Reagan and President Chun pledged to uphold the mutual obligations embodied in the United States-Korea Mutual Defense Treaty of 1954. President Reagan affirmed that the United States, as a Pacific Power, will seek to ensure the peace and security of the region. President Chun expressed his full support for United States policies directed toward these ends and emphasized his view that the United States should continue to exercise firm leadership in world affairs.

4. President Reagan and President Chun reviewed the security situation on the Korean peninsula and the continuing threats to peace in the area. President Reagan assured President Chun that the United States has no plans to withdraw U.S. ground combat forces from the Korean peninsula. The two Presidents pledged to seek to strengthen U.S.-Korean cooperation in deterring and defending against aggression as an indispensable contribution to peace and stability in Northeast Asia.

5. President Chun outlined the continuing efforts of the Republic of Korea to enhance its self-reliant defense capabilities through the modernization of its armed forces. President

Reagan commended the Republic of Korea for its significant continuing efforts and confirmed that the United States will make available for sale appropriate weapons systems and defense industry technology necessary for enhancing Korea's capabilities to deter aggression.

6. President Chun was assured of United States support for the efforts of the Republic of Korea to resume a constructive dialogue with North Korea in order to ease tensions and build the framework for peaceful reunification of the peninsula. President Reagan commended President Chun for the far-reaching proposal made on January 12, 1981 calling for an exchange of visits by the Presidents of the South and North of Korea. President Reagan reaffirmed that the Republic of Korea must be a full participant in any United States negotiation with North Korea. The two Presidents shared the view that any unilateral steps toward North Korea which are not reciprocated toward South Korea by North Korea's principal allies would not be conducive to promoting stability or peace in the area.

7. Noting the strong ties of traditional

friendship, alliance, and cooperation which have existed between the United States of America and the Republic of Korea, the two Presidents announced that they would resume immediately the full range of consultations between the two governments.

- U.S.-ROK Security Consultative Meetings will be resumed promptly at a mutually convenient time later this spring.

- Annual U.S.-Korean economic consultations covering the entire range of our economic relations will resume. The Under Secretary of State for Economic Affairs will lead a U.S. delegation to Korea to initiate these consultations before mid-year.

- Annual U.S.-Korea policy planning talks will be resumed at a mutually convenient time this year.

8. President Reagan and President Chun expressed their satisfaction at the continuing expansion in the scope of economic relations between the two countries, and agreed to seek to foster a freer international trading system.

9. Presidents Reagan and Chun noted with satisfaction that mutually profitable U.S.-Korea trade had grown dramatically



President Reagan and President Chun Doo Hwan with U.S. Ambassador to Korea William Gleysteen, Jr. (center).

White House photo by Karl Schumacher

from \$531 million in 1970 to \$10 billion in 1980, and that the Republic of Korea is now the United States' twelfth largest trading partner. President Reagan emphasized in particular the importance of Korea as the fifth largest market for American agricultural exports. President Chun welcomed the positive response of the United States in meeting Korea's special needs this year for rice imports.

10. The two Presidents reaffirmed the close cooperation of the two countries on energy issues. The United States will seek to assist Korea to obtain energy supplies in the event of an emergency affecting our mutual security interests. Korea will explore long-term arrangements for importing American oil. President Reagan promised that the United States would remain a reliable supplier of nuclear fuel, generation equipment and power technology.

11. The two Presidents recognized that there remains a need for further promotion of mutual understanding and exchanges between the two peoples both through private and public channels, and they agreed to an early revocation of the Korean-American Cultural Exchange Committee to be funded jointly by the two Governments.

12. President Reagan expressed special appreciation for the significant contribution to the Smithsonian Institution which President Chun presented on behalf of the Korean people for the construction of a new Museum of Eastern Art on the Mall in Washington. This museum will further enhance inter-cultural understanding and appreciation between the people of America and the peoples of Asia.

13. Pledging their mutual efforts to expand international cooperation throughout the Pacific Basin, the two Presidents expressed their intent to maintain close communication with each other and with other friends and allies in Asia. President Chun invited President Reagan to visit the Republic of Korea at a time of his convenience, and President Reagan accepted the invitation with pleasure.

14. President and Mrs. Chun, on behalf of themselves and the members of their party, expressed their deep appreciation to President and Mrs. Reagan and also to the people of the United States for the warmth of their friendly reception and the many courtesies extended to them both during the official visit to Washington and during their visits to other cities during their trip to the United States.

White House press release. ■

Khmer Relief Efforts

After 5 years of involvement in the Vietnam war and four more of brutal rule by the Pol Pot regime, under which perhaps 2 million Khmer lost their lives, Kampuchea suffered further disaster in the Vietnamese invasion in December 1978 and subsequent occupation of the country. The invasion came during the primary harvest, and the fighting and displacement resulted in the loss of most of the rice crop. By the fall of 1979, widespread famine inside Kampuchea had sent thousands of starving Khmer to the Thai border in a desperate search for food.

The massive response from the international community and from Thailand, in its provision of refuge for hundreds of thousands of Khmer, have been essential elements in the survival of the Khmer people. From late 1979 through the end of 1980, Western donor nations contributed to the Kampuchea relief effort over \$450 million, of which the U.S. share was about \$130 million. Private Western donations through voluntary agencies amounted to well over \$100 million. The Soviet Union and other Eastern bloc countries made bilateral donations of as much as \$200 million more, though the exact amount is impossible to verify.

Although starvation has ended and internationally donated rice seed has allowed a better-than-expected winter 1980 harvest, Kampuchea has not attained full recovery. The country will be dependent on international relief food at least through 1981 and needs emergency aid in other areas as well, particularly in health care and elementary agricultural rehabilitation. Failure to continue support of the relief could result in new calamities and a return to the terrible days of 1979. Moreover, some 200,000 displaced Khmer remain in Thailand—in UNHCR [U.N. High Commissioner for Refugees] holding centers and in makeshift camps along the Thai-Khmer border—and these unfortunate people are totally dependent upon international assistance until some more lasting solution is found for them. The United States plans to continue to make significant contributions toward the basic humanitarian needs of the Khmer people in 1981 and is encouraging other donors to do so as well.

U.S. CONTRIBUTIONS

The U.S. Government contributed \$128,861,700 to the relief effort in FY 1980, all but a small fraction of which went to international organizations. In the breakdown that follows, figures are rounded to the nearest hundred dollars, with grants listed individually by receiving agency and date of donation.

Amount	Reason/Date
UNICEF	
\$2,500,000	Startup costs for Khmer relief program (10/79)
2,000,000	Rice purchases in Thailand for distribution in Kampuchea (11/79)
448,000	(In kind) Airlift of cranes from Japan to Singapore for onward shipment to Kampuchea (11/79)
44,600	(In kind) Incremental air transportation cost of Archer, Daniels, Midland-donated food (12/79)
6,500,000	Relief of cash shortage (12/79)
2,500,000	Cash for ongoing relief program (5/80)
2,000,000	Cash for rice purchases for World Food Program (6/80)
3,815,000	Cash for rice purchases (8/80)
500,000	Cash for seed purchases (8/80)
\$20,307,600	
International Committee of the Red Cross	
\$2,500,000	Startup costs for Khmer relief program (10/79)
27,000	(In kind) Two field labs (11/79)
20,000	(In kind) Medical survey team for contingency planning (11/79)
2,500,000	Relief of cash shortage (12/79)
1,008,000	(In kind) 40-day lease of Hercules for shuttle flights to Phnom Penh (12/79, 1/80)
5,500	(In kind) Airlift of a field hospital donated by SAWS (1/80)
714,400	(In kind) Lease of Hercules for shuttle flights to Phnom Penh (4/80)
1,785,600	Cash for ongoing relief program (5/80)
\$8,560,500	
World Food Program	
\$55,422,000	Food for Peace commodities including shipping costs (\$40 million directly to Kampuchea; \$14 million in and through Thailand (11/79, 3/80, 5/80, 8/80)
490,000	Lease of trucks in Thailand (11/79, 8/80)
150,000	(In kind) Airlift and instant corn soy milk (11/79)
1,026,000	Food processing in Thailand and Singapore (11/79, 12/79)
891,600	Food management in Thailand (12/79)
3,000,000	Rice purchases in Thailand for border and holding center feeding (12/79)

East Asia

7,500	(In kind) Air transport cost for soy-fortified bulgur (2/80)
4,000,000	Cash for cross border seed rice program (3/80, 5/80)
\$64,987,100	

The U.N. High Commissioner for Refugees

\$384,400	(In kind) Airlift and 800 tents and tent flies (10/79)
9,000,000	Care and maintenance of Khmer in holding centers and center construction (11/79)
5,615,600	Care and maintenance of Khmer in holding centers and center construction (balance of U.S. Government pledge to UNHCR) (1/80)
6,000	(In kind) Four hand pumps (5/80)
6,400,000	Care and maintenance of Khmer in holding centers (6/80)
29,500	Communications equipment (6/80)
\$21,435,500	

Food and Agriculture Organization

\$3,000,000	Agricultural rehabilitation program in Kampuchea (3/80)
2,000,000	Seed rice (9/80)
\$5,000,000	

National Council for International Health

\$87,200	Medical assistance clearinghouse (12/79, 5/80)
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Cambodia Crisis Center

\$80,900	Startup costs (1/80)
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Church World Service/ Action for Relief and Rehabilitation in Kampuchea

\$1,250,000	Emergency delivery of medicines, relief supplies, and seeds for agricultural rehabilitation in Kampuchea (1/80)
1,150,000	Delivery of seed rice in Kampuchea (8/80)
\$2,400,000	

World Vision Relief Organization

\$3,103,300	Rice seed and other agriculture inputs; assistance to small animal breeding, orphanages, and a youth hostel in Kampuchea (3/80)
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CARE

\$55,800	Ocean freight reimbursement for baby food and relief supplies (3/80)
100,000	Cash for crossborder seed rice program (3/80)
\$155,800	

U.S.-Thai Antipiracy Program

American Ambassador to Thailand Morton I. Abramowitz, Friday, January 2, 1981, in Bangkok, presented to the Royal Thai Navy the first installment of a \$2 million U.S. grant to help combat pirate attacks in the Gulf of Thailand. Pirates have been attacking refugee boats fleeing from Vietnam for Thai and Malaysian shores.

Royal Thai Navy Commander in Chief Admiral Samut Sahanawin accepted the initial funds as part of a U.S. commitment to support the Thai Navy in increased air and sea search and surveillance efforts.

The first installment of the U.S. grant follows a series of bilateral consultations between the American and Royal Thai Governments on measures to be taken to augment the Royal Thai Navy's sea-surveillance capabilities. The United States will provide two O-2 patrol aircraft, assist in refurbishing a Thai Navy cutter for maritime patrols, and provide operating funds for a 6-month period. The Thai Government will establish a task unit to carry out the antipiracy program and patrol activities.

An exchange of letters on September 30 between the U.S. Embassy and the Thai Ministry of Foreign Affairs approved the present grant, subject to later detailed agreement which has now been reached.

Press release 1 of Jan. 2, 1981. ■

American Friends Service Committee

\$558,300	Agricultural rehabilitation in Kampuchea (3/80)
31,000	Ocean freight reimbursement for medical supplies and vegetable seed (4/80, 8/80)
\$589,300	

World Relief

\$1,000,000	Subsistence agricultural packages (farming implements) (6/80)
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Office of the U.N. Secretary General's Special Representative for Kampuchean Humanitarian Relief

\$150,000	Startup costs for Coordinator's Office (3/80)
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Embassy Bangkok

\$69,000	Emergency (contingency) funds for Khmer relief (e.g., purchase of communications equipment) (11/79)
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Thai Red Cross

\$100,000	Relief supplies presented by Mrs. Carter (11/79)
25,000	Assistance to Thai victims of Vietnamese incursion (6/80)
\$125,000	

Task Force 80 (Thai Supreme Command)

\$13,000	Office supplies for Thai Coordinator (3/80)
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Unattributed

\$382,500	Special airlift of medical and other relief supplies in response to the President's 11/13 decision (11/79)
550,000	(Estimated) Travel and administrative expenses for Embassy-associated persons in Thailand (10/79, 9/80)
\$932,500	

\$128,861,700 (Grand Total)

Press release 81 of Jan. 23, 1981. ■

Implementation of Hostage Agreements

DEPARTMENT STATEMENT,
FEB. 18, 1981¹

Our position up until now has been that the United States, of course, will honor its obligations under international law. Because of the complexity of the agreements and the extraordinary conditions under which they were negotiated, we have undertaken a review to determine precisely what our obligations are under them.

That review has been completed. Having considered all the circumstances carefully, we have decided to approve implementation of the agreements in strict accordance with the terms of the agreements. The review considered the impact of implementing or not implementing on these points:

- The rights of U.S. claimants;
- U.S. terrorist policy;
- U.S. international interests, including U.S. obligations to third parties, particularly Algeria, which had itself made commitments during the course of the negotiations; and
- Long-term U.S. interests in the Persian Gulf, including Iran.

The review did not consider several questions of great potential interest to historians and of possible value for drawing lessons with respect to future policy but of no practical bearing on the immediate question of whether or not to implement the agreements.

The review just completed then did not consider the following: How could the whole crisis have been handled better? Could a better set of agreements have been negotiated? And we did not consider whether these agreements should have been signed.

We are confronted with an accomplished fact. We have an agreement signed by a President of the United States, and the question is whether, given the existence of this agreement and the consequences—legal, financial, and political—of implementing it or not, under those circumstances, what should the country do?

The conclusion of the agreements was a legal exercise of Presidential authority. This authority will be subject to challenge in our courts, and the executive branch will, of course, abide by the determination of our judicial system. We did not find it necessary to reach a conclusion as to the legally binding character of these agreements under international law. We are proceeding because we believe it is in the overall interests of the United States to carry out the agreement.

The decision represents a practical judgment that implementation provides the surest resolution of the issue consistent with the best interests of the United States in the gulf region and throughout the world. Iran has not profited from these agreements. It was ultimately forced to settle on terms that simply restored the *status quo ante* because the advent of the new Administration finally confronted it with a serious deadline. The funds already returned to Iran and those which may be returned following the implementation of these agreements and the settlement of commercial and legal claims—all these funds thus involved are funds which belonged to Iran before the seizure of the American hostages.

It should be well understood that the decision to faithfully implement the agreements does not represent a precedent for future actions by the U.S. Government in similar situations. The present Administration would not have negotiated with Iran for the release of the hostages. Future acts of state-sponsored terrorism against the United States will meet swift and sure punishment.

¹ Read to news correspondents by acting Department spokesman William J. Dyess. ■

Travel to Iran

DEPARTMENT STATEMENT,
JAN. 27, 1981¹

All American citizens contemplating travel to Iran are advised that they should avoid such travel. Travel to Iran is extremely hazardous because of the continued anti-American atmosphere, the virulent anti-American stance of the Iranian Government, and the present conflict between Iran and Iraq. The possibility exists that American citizens traveling to Iran could be detained without charge or taken hostage.

American interests in Iran are currently served by the Swiss Government acting through its Embassy in Tehran, but protective services are severely limited by present conditions. Under these circumstances, the Department of State strongly urges United States citizens to avoid any travel to Iran.

This warning supersedes the formal restriction on travel to Iran which was effective on April 23, 1980.

¹ Read to news correspondents by acting Department spokesman William J. Dyess on Jan. 27, 1981. ■

Afghanistan: A Year of Occupation

The following paper was written by Eliza Van Hollen of the Bureau of Intelligence and Research. It was prepared in December 1980 as a review of conditions existing in Afghanistan 1 year after the Soviet invasion. Mrs. Van Hollen has added a concluding section to bring the situation up to date as of mid-February 1981.

A year after the Soviets invaded Afghanistan and replaced President Amin with their puppet Babrak Karmal, Afghanistan is still in turmoil. While the Soviets may have prevented the collapse of a pro-Soviet Marxist government, they have had little success in building support for the Babrak regime.

In some respects, the situation in Afghanistan today is no better, from a Soviet point of view, than that which preceded the December 1979 invasion. The government faces widespread and growing alienation and resistance, virulent factionalism within the ruling party, and an acute shortage of military manpower. Almost universal Afghan hostility to the Soviet presence has intensified these problems.

The nationalist movement, while still fragmented and lacking coordination, is better organized and equipped than it was a year ago. Furthermore, there is evidence of more cooperation, in some areas, between nationalist guerrilla groups which are increasingly organized along tribal lines. These forces, however, have not been able to turn their improved capability into victory over the Babrak regime—principally because of the presence of 85,000 Soviet troops inside the country.

The Soviet invasion in December 1979 transformed the Afghan conflict, which up to that time could be described as a civil war, into a case of international aggression. Soviet troops have taken over the primary effort to suppress the nationalists and Soviet officials have assumed virtual control of both military and civilian government departments. While the resistance movement is still directed against the Marxists in nominal control of the Kabul government and particularly against Afghan Government security organs, it is now focused primarily against the Soviet intruders.

By invading Afghanistan, the Soviets damaged their relations both with the West and with the nonaligned Third World, in particular with Islamic countries. The recent November 20, 1980 vote in the U.N. General Assembly, where 111 nations supported a resolution calling for the withdrawal of foreign troops from Afghanistan, underscores the fact that the Soviet action is still rejected. The plight of the more than 1.2 million Afghan refugees in Pakistan has aroused international concern and keeps the Afghan question in the public view.

Efforts over the past year by various elements of the international community to persuade the Soviets to join in serious discussions for a political settlement have come to nought. There is no indication

standoff after a year of punishing Soviet military operations is in itself a psychological victory for the nationalists.

The Situation in December 1979

In December 1979, it was clear that the Government of the Democratic Republic of Afghanistan (DRA) was in serious trouble. Insurgent groups were operating in many parts of the country and were exerting pressure on certain provincial capitals and military outposts. Their resilience was demonstrated by their ability to move back into Paktia Province in the wake of a major government military sweep in October 1979. At the same time the Afghan Army was being eroded by large-scale defections, desertions, casual

The Soviets seem to have consistently miscalculated in Afghanistan. If they believe that the resistance is losing its momentum, then they are still misjudging the Afghan equation.

that the Soviets are prepared to agree to any solution which entails the prompt withdrawal of their troops. Their continued insistence on basing negotiations on the May 14, 1980 proposals of the Babrak Karmal government rules out any meaningful discussion. These proposals would legitimize the present government in Kabul and, by implication, the Soviet role as well and would require the cessation of all resistance as a precondition for the withdrawal of Soviet troops.

In this situation, all indications are that the Soviets are digging in for a long stay. Publicly, they maintain that things are going well in Afghanistan. While the prolonged nature of the conflict inevitably raises questions in Moscow, those in the Soviet hierarchy who opted for the invasion probably still believe that it will eventually accomplish its objectives.

The Soviets seem to have consistently miscalculated in Afghanistan. If they believe that the resistance is losing its momentum, then they are still misjudging the Afghan equation. The fact that the situation in Afghanistan is a

ties, and the inability to obtain fresh conscripts from the many areas of the country which were already out of effective government control. Estimates of the Afghan Army size at that time range from 50,000–70,000 as opposed to 90,000–100,000 before the insurgency began.

In addition, then President Hafizullah Amin was feuding with the Soviets. Moscow had become deeply involved in Afghanistan's affairs soon after the People's Democratic Party of Afghanistan (PDPA), headed by Nur Mohammad Taraki, seized power in April 1978. Both Amin and Moscow were aware that the Soviets had conspired with Taraki to eliminate Amin. It was only apparently by a stroke of luck that Amin, following September 14, 1979 shootout, had ended up as President while Taraki went to his grave.

If Amin had shown promise of ending the resistance, Moscow would probably have tried to continue to work with him. But the Soviets were well aware that Amin was generally considered by the Afghan people to be the man most responsible for the bitterly resented Marxist "reforms" and for the continuing wav

arrests and executions which had begun soon after the Marxists came to power.

The Soviets had been searching since the early summer of 1979 for a way to stop the swelling resistance to DRA authority. They had evidently concluded by December 1979 that a second attempt at drastic action was necessary. They may have been influenced by the fact that government forces had recently suffered a number of setbacks in areas surrounding Kabul and in northeastern Badakhshan Province on the Soviet border.

Observers of the Afghan scene, at that time, saw the return of Babrak Karmal, leader of the PDPA's Parcham faction, as a Soviet option but not one which promised a solution to the problem. Babrak, together with key supporters, had been forced into exile by the dominant Khalq faction leadership in July 1978.¹ In the eyes of the Afghan people, Babrak was just as much of a Communist as his predecessors. Furthermore, by December 1979 the Soviet advisory personnel in the country not only had increased numerically but also had begun to assume control to the point where the Soviets themselves were becoming a major focus of resentment. No one who came to power under Soviet sponsorship could have won the support of the people.

The Soviet Invasion and Continuing Military Role

On December 27, 1979, following a massive 2-day airlift of troops and equipment, a special Soviet assault unit surrounded the Tajbek Palace in the Darulaman complex, where President Amin was living. Afghan forces loyal to Amin defended the palace but were overcome after several hours of fighting. Amin and members of his family were executed.

At the same time, Soviet forces moved quickly to secure Radio Afghanistan, where Afghan troops put up resistance, and other key civilian and military installations in the Kabul area. Two Soviet motorized rifle divisions promptly entered Afghanistan by land, and by January 1, 1980 there were at least 30,000-40,000 combat troops in the country. By January 20 that number had grown to 80,000, and it subsequently leveled off at a figure of approximately 85,000 in Afghanistan and another 30,000 supplementary forces just over the Soviet border.

On June 22, the Soviets announced the withdrawal of some of their troops from Afghanistan. These troops, numbering approximately 5,000, turned out to be

forces unsuited to Afghan terrain or to fighting against hit-and-run guerrilla operations. The withdrawal, which occurred during the allied summit conference in Venice and several weeks before the Moscow Olympics, was clearly for propaganda purposes. Even as the unwanted forces were being withdrawn, new and more useful units were being introduced, and the total figure was soon back up to 85,000.

While the force level has remained stable throughout most of the year, the Soviets have made a number of changes to improve their military capability. They have substituted seasoned troops for reservists and reorganized the command and control structure to permit a more flexible response to the insurgency. The most striking change has been in the increasing size of the helicopter force. Helicopter gunships have proved to be the most formidable weapon in the Soviet arsenal, and over the year their number in Afghanistan has quadrupled to a current force of about 240.

These changes have become necessary as the Soviet forces have had to assume the major burden of military operations against the resistance. Moscow's initial intention appears to have been to secure major cities and towns and the lines of communication, while stiffening the spine of the Afghan forces who would be free to pacify the countryside. From the beginning, however, it was clear that the Soviets had misjudged their ability to keep the Afghan forces in line. In fact, the Soviets' first combat experience in Afghanistan was against rebelling Afghan troops.

Since the first winter push into troubled Badakhshan Province, Soviet forces have been continuously engaged in counterinsurgency operations. At some time or another over the course of the spring, summer, and fall of 1980 they have operated in virtually every province of the country. Certain strategic regions have been subjected to repeated Soviet offensive operations. Among these are the eastern provinces, where the Soviets have tried, unsuccessfully, to seal the Pakistan border.

Soviet military operations were significantly stepped up in the fall months, probably an effort to enter winter in as strong a position as possible. Winter weather will force the *muhajidin* to come down from the hills but will also reduce the mobility of the Soviets.

Soviet troops have reportedly retaliated brutally against villages suspected of harboring nationalists. Homes have been leveled, crops destroyed, and grain stocks burned. There have been reports of Soviet troops massacring the inhabitants of villages in their rage at not finding the elusive resistance forces. There is convincing evidence that the Soviets have used both irritants and incapacitating chemical agents against the insurgents. Reports of the use of lethal chemicals are under investigation.

There are some indications that Soviet troops have suffered from poor morale in Afghanistan. Soviet casualties have outnumbered those of their Afghan Army counterparts. There are also many reports of undisciplined behavior, including black market operations, rape, and looting of shops and homes.

Weaknesses of the Babrak Regime

Babrak Karmal returned to Kabul with a tough assignment: to persuade the people of Afghanistan to reduce their hostility to the Marxist government and accept the Soviet military presence. He was to effect a reconciliation between the estranged Khalq and Parcham factions of the People's Democratic Party, in order to establish as broad a base as possible despite the fact that his Soviet sponsors had killed the Khalqi leader, Hafizullah Amin. Nonparty people were to be brought into the government to produce the image of a national front. Finally, he envisaged conciliatory policies to persuade the people that the new government was not anti-Islamic and that it was genuinely prepared to roll back widely resented social and economic measures dating from the early days of the DRA.

Babrak has not thus far succeeded in his program. He has failed to heal the Khalq-Parcham split despite the importance which the Soviets attached to this goal. The new government was a carefully contrived coalition of Babrak's Parcham group and those Khalqis who had been opposed to Amin. Because many Parchamis had been imprisoned and tortured by Taraki's secret police chief, Assadullah Sarwari, who became a Deputy Prime Minister, there were bitter personal scores to be settled at all levels of the party organization.

The feuding broke out almost immediately. Throughout the winter, spring, and early summer of 1980 reports of violent confrontations between the factions continued, and each faction appeared to be plotting to overthrow the other. The resented Soviet presence exacerbated the

conflict, as the Khalqis blamed the Parchamis for bringing in the Soviets.

The conflict between the Khalqis and Parchamis came to a climax in June in a high-level confrontation, the details of which are not known. The eventual result was the diplomatic exile (as Ambassador to Mongolia) of Khalqi Deputy Prime Minister Assadullah Sarwari and his replacement by a less tainted figure. This move deprived the Khalqis of one of their most aggressive leaders.

The Khalq-Parcham conflict, however, has continued to boil. There have been credible reports of three major military coup plots involving Khalqi officers—in June, July, and mid-October. Khalqis are alarmed by the fact that the Parchamis are gradually removing middle-level and upper-middle-level Khalqi officials from their positions. Khalqis are reportedly preparing for an open armed struggle. Furthermore, it appears that some lower- and middle-level Khalqis have joined forces with the insurgents.

The strength of the Khalqis in the military justifies Soviet efforts to keep the Parchamis from provoking open party warfare. So while Babrak's speeches to the Third PDPA Plenum in July and to the Fourth Plenum in mid-November both obliquely threatened purges of prominent Khalqi leaders, no dramatic cabinet-level changes followed. At the Fourth Plenum, Babrak established loyalty to Moscow as a new criterion for party membership and announced investigations of high-level officials who have abused their positions.

The Soviets are clearly concerned about the current paralysis in Afghanistan's Government and party operations, which can be attributed in large measure to the intraparty feuding. Since his return from his October 1980 trip to Moscow, Babrak has made two important speeches criticizing the lack of effective government and party leadership and calling for a fundamental change in attitudes. It is unlikely, however, that he will receive the cooperation that he wants, even from all elements of his own faction.

While Babrak's base of support is actually shrinking as a result of the continuing Khalq-Parcham struggle, he continues to try to appeal to all elements of society to join in a National Fatherland Front. After a year of endless speeches and conferences designed both to attract followers and to create the impression of broad support, there is no indication that the regime has made any progress along

these lines. Indeed, many prominent individuals have fled the country precisely because they feared they would be approached to join the government.

Nor have the policies to nullify the unpopular "reform" decrees of the previous regimes been particularly fruitful. The Babrak government has offered to return land to former owners, but most have left the country; it has offered amnesty to refugees, but few have returned. A particular effort has been mounted to convince the people and religious leaders that this regime is dedicated to the ideals of Islam and is willing to return to the religious leaders their previous role in the countryside. A deal has not been struck,

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however, as the price for this concession is support of the government.

The most striking example of the regime's failure has been in the crucial area of military manpower. The Afghan Army, demoralized by the purges of its pre-1978 leadership and by its assignment to fight against brother Afghans and Muslims, was already rapidly disintegrating before the Soviet invasion. The invasion provoked a further massive exodus, and rebellion, defection, and desertion have continued throughout 1980. By mid-summer 1980 the army was probably down to 30,000–40,000, and the figure now may be closer to 25,000.

In view of this trend, the regime has taken draconian measures to obtain new recruits. House-to-house searches by impressment gangs started in Kabul in the spring and have been repeated periodically in the capital. There are many reports of boys age 14 and even younger being taken off in the night. Press gangs have also operated in other cities, and a prime objective of the Soviet and Afghan military offensives in the provinces during the summer and fall was to round up conscripts. It is clear, however, from a recent (December 3, 1980) speech by Babrak that these efforts and the new September 6, 1980 draft law have failed to alleviate the crisis.

To offset the dwindling size of the

army, the regime has offered special incentives (high pay) to young people to join local militia units called Defense of the Revolution battalions. Like the army, however, these units remain critically undermanned and are plagued by frequent defections.

Failure to build up the Afghan Army and other security forces poses a special problem for the Soviets as it obliges them to continue to assume the main combat burden in anti-insurgency operations. If they fail to rebuild the Afghan Army and if the resistance persists at its current level, they may eventually have to introduce more forces to cope with the continuing resistance. At the moment, however, there are no indications that they are planning such a move.

The Resistance

In contrast to the Babrak government's failure to gain support over the past year is the dramatic growth in the number of organized resistance units actively fighting the regime and Soviet forces. It is impossible to ascertain the number in the field, but the Soviet invasion has involved the entire population in the conflict, and there remains a large reserve of untapped, potential insurgent manpower.

As much as 75% of the countryside may be out of the effective control of the government. There have been major disturbances in the important cities of Qandahar, Herat, and Jalalabad throughout the year. Soviet forces have engaged in active fighting inside these cities, but they remain in turmoil. Even Kabul has had its share of violence.

Nationalist bands have been very effective at ambushing convoys and even Soviet and Afghan military columns. They carry out frequent acts of sabotage. In some instances, they have been able to deny Soviet forces access to their strongholds, such as the Panjshir Valley and the Hazarajat. Their activities have forced government officials to abandon many district-level offices and police stations in the provinces. On the other hand, while they have seriously threatened various provincial capitals, they have not been able to capture one. When Soviet troops arrive in force, accompanied by assault helicopters, the resistance forces have to disperse. When the Soviets leave, however, they return.

The two major problems confronting the nationalists, as they seek to do battle with the formidable Soviet military machine, are the lack of coordination and a

shortage of weapons and ammunition, particularly anti-tank and anti-aircraft weapons.

The early emergence in Pakistan of competing exile political organizations has served to create an impression of disarray in the overall resistance movement. Inside Afghanistan, however, the nationalists have, from the beginning, been organized under local leadership along tribal lines. There is a growing trend toward cooperation between tribal groups in some areas. While it would be a mistake to overrate the present organizational achievement of the new regional alliances, they may represent an important first step toward countrywide coordination. In any event, in many ways the spontaneous and countrywide nature of the resistance is one of its great strengths and makes it exceedingly difficult for the Soviet Army to suppress it.

The Babrak regime and the Soviets are well aware of the inherent dangers of tribal cooperation. They have worked to create discord by playing on traditional tribal rivalries, offering large bribes to tribes who will agree to support the government and even in some cases to serve as mercenaries. While the government has had some success along these lines, the well-publicized murder in September 1980 of the Minister of Tribal and Border Affairs, who was responsible for implementing this policy, was a major setback.

The dramatic increase in the number of potential freedom fighters over the past year has created a demand for more weapons, and the challenge of Soviet helicopter gunships and tanks requires a more sophisticated arsenal. From the beginning, resistance weapons have come primarily from Afghan Army stocks through raids and from defectors. In August, the Soviets took all anti-tank and anti-aircraft weapons away from the Afghan forces, a clear sign that they were falling into the hands of the resistance. It is also an indication that the Soviets have tightened up weapon security.

Longer Term Soviet Programs

Moscow's present intention is clearly to cement Afghanistan firmly into the Soviet orbit, at the same time establishing the fiction of a legitimate, independent and nonaligned government. The extraordinary reception which the Soviets gave Babrak during his mid-October visit to Moscow represented a major effort to convey an aura of legitimacy.

The Soviets are taking steps to secure their position over the longer term.

Large numbers of Afghan students have been sent to the Soviet Union for their education over the past year; an August 12, 1980 protocol called for the enrollment of 1,500 students in Soviet institutions of higher education by early October. The Afghan party, government, and educational institutions are being reorganized in the Soviet mold. Economic ties between the two countries have been further strengthened as more and more of Afghanistan's trade is oriented toward the U.S.S.R. According to Babrak Karmal, the Soviet Union is now supplying 80% of Afghanistan's foreign aid. In addition to building permanent facilities for their military forces in Afghanistan, the Soviets are creating a basic cross-boundary infrastructure; they have built three bridges across the Amu Darya River, and railroad connections between the two countries are projected.

Cost to the Soviet Union

The Afghan adventure has been costly for the Soviet Union both in monetary terms and in terms of its relations with the rest of the world. The financial burden of maintaining its military presence and underwriting Afghanistan's rapidly deteriorating economy may be tolerable in the short term. As a long-term proposition, it may not be so attractive. Economic assets and development projects have been

the Islamic Conference of Foreign Ministers on January 29 and again on May 21; by the U.N. Human Rights Commission on February 14; by the Foreign Ministers of the European Common Market and the Association of South East Asian Nations on March 7; and by the Interparliamentary Union Council on April 12 and again on September 24.

The United States and some other countries have restricted grain shipments to the U.S.S.R. The United States has also tightened controls on the sale of high technology items, embargoed phosphates—a source of fertilizer and animal feed supplements—sharply curtailed Soviet fishing rights in U.S. waters, and restricted scheduled commercial airline service between the two countries. In July, the international Olympics, held in Moscow, were boycotted by some 80 countries.

Deflecting international attention from Afghanistan is a prime goal of Soviet diplomacy. But the frequent defections of prominent Afghans and government officials and the steady stream of refugees pouring into Pakistan keep the issue very much alive.

Well-publicized defections during the course of the year have included those of Ahmad Hakim Tabibi, the Deputy Permanent Representative at the United Nations in January 1980; Abdul Rahim Ghafourzai, a diplomat who had been sent

Deflecting international attention from Afghanistan is a prime goal of Soviet diplomacy. But the frequent defections of prominent Afghans and government officials and the steady stream of refugees pouring into Pakistan keep the issue very much alive.

a prime target of nationalist attacks, and Babrak's recent speeches have underlined major dislocations in the economy.

More immediately significant, however, has been the damage to the Soviet Union's international image. Virtually all major international bodies have called for the immediate withdrawal of Soviet troops. The first instance was the overwhelming vote of 104-18 in the special session of the U.N. General Assembly convened in January 1980; in the recent November 20 General Assembly vote on the Afghan question the margin was increased to 111-22. In the intervening period, the Soviet invasion and occupation of Afghanistan was condemned by

to defend the Afghan position at a meeting of the nonaligned group at the United Nations in February; eight members of the Afghan national football team in March; 11 members of the Afghan Olympic wrestling team in July; an Ariana Airlines crew in Frankfurt in September; and, most recently, the dramatic defection in October of Akhtar Mohammed Paktiawal, Afghanistan's delegate to the UNESCO [United Nations Educational, Scientific, and Cultural Organization] conference in Belgrade.

The presence of over 1.2 million refugees in Pakistan (up from 400,000 a year ago), with more arriving every day (as of mid-October the flow had averaged 80,000 a month since January 1980), has

put an enormous burden on Pakistan and presented the entire world with a major humanitarian responsibility. In June, the U.N. High Commissioner for Refugees was forced to double its 1980 budget from \$55 million to \$100 million (the United States contributed \$44 million in 1980 or almost half the total). The refugee population in Pakistan in the coming year may well be the greatest in any single country in the world. In addition, there may be over a quarter of a million refugees in Iran.

Recent Developments

There have been some significant developments in the past 2 months. Fighting continues at a high level in many areas as the nationalists push to expand their area of control and the Soviet and government forces try to contain them and regain lost districts. Winter snows in some regions probably account for an influx of insurgents into the cities, where violence increased markedly. The Soviets took strong measures in Kabul and other cities in early February 1981 to round up *mujahidin* and to reestablish order.

A shortage of manpower for Afghan military and security forces remains a critical problem. The government promulgated a new draft law in early January which extended the length of service by 6 months to 2½ years. This unpopular move provoked police riots in Kabul and isolated instances of rebellion by troops. Thousands of soldiers will have served the extra 6 months by mid-March 1981. Since the government apparently has failed to obtain sufficient replacements, another extension and further disorders seem inevitable.

There are also new reports of Soviet brutalities in the countryside, where they are attempting to terrorize the villagers into persuading the young men to report

for the draft. It is a futile effort as the young men are already fighting with the nationalists or have escaped to Pakistan.

In spite of official efforts to gloss over the Khalq-Parcham feud, the internecine struggle continues. Another Khalq plot and ensuing widescale arrests of Khalqis were reported in early February.

The gap between the Afghan reality and the image portrayed by Soviet and Afghan media has been further widened by official claims regarding the establishment of the National Fatherland Front, which Babrak announced in late December 1980. The regime is trying to create the impression that the "constituent congress" for the front will be an elected body and will constitute a *Loya Jirga*, i.e., a traditional Afghan assembly. In fact, attendance at the preparatory meetings has been coerced, and there has been no opportunity for choice or dissent. Any endorsement of Babrak Karmal and his policies by this artificial gathering could not be interpreted to imply either legitimacy or popular support.

The nationalists' continuing struggle and the latest refugee figures are also indicative of the unabated hostility of the majority of Afghans toward Babrak and the Soviets. More than 143,000 refugees

crossed into Pakistan in January 1981—by far the largest monthly influx to date—bringing the total number in Pakistan to over 1.5 million. High rates of refugee exodus in both December and January can be attributed to growing food shortages in Afghanistan and continuing Soviet military activity. The refugee population in Iran also seems to have grown dramatically, but reliable figures are not available.

Efforts to legitimize the Babrak government on the home front have been closely related to developments on the international scene. The Afghans and the Soviets have tried throughout the year to promote negotiations with Pakistan which would sanction Babrak and his May 14 proposals. In recent weeks, they have consistently attempted to shape various initiatives by the United Nations and the Pakistanis to conform as closely as possible to the Babrak proposals.

Meanwhile, these diplomatic developments and others, such as France's proposal for a conference on noninterference in Afghanistan and resolutions taken recently at the Islamic Conference meeting in Saudi Arabia and the Nonaligned Conference in New Delhi, have all served to keep the spotlight focused on the continuing Soviet occupation of Afghanistan.

¹See Department of State Special Report No. 72, June 1980, for further details of the feud between the Khalq and Parcham factions of the People's Democratic Party. ■

Hostage Incidents: Examples in Modern History

This study incorporates most of the information contained in Research Project No. 705, "Hostages Seized and Their Death, Release or Rescue: Examples in Modern History," prepared by the Office of the Historian, Bureau of Public Affairs, in December 1964. Incidents cited for the period since 1964 are limited to those involving U.S. and foreign diplomatic personnel. Assassinations or instances of mob violence against diplomats have been included only when the perpetrators demanded payment of ransom, release of "political prisoners," or similar actions.

Evan M. Duncan drafted the portion of this project dealing with the record since 1964. William Z. Slany and David F. Trask revised and edited the study.

Algeria, 1785-96

In 1785 the Dey of Algiers captured two U.S. ships, the *Maria* and the *Dauphin*, and demanded \$6,000 in ransom for each of the three captains aboard the ships, \$400 each for the two mates and the two passengers, and \$1,400 for each of the 14 seamen. Ensuing negotiations collapsed because the American emissary was authorized to pay only \$200 for each man. These prisoners and others were not freed until 1796.

Action came under the terms of a treaty between the United States and Algiers and in accordance with an oral agreement providing that the United States pay \$585,000 for the treaty and the ransom of the American captives. The U.S. Treasury estimated the price paid and payable for this treaty at \$92,463.25.

Tripoli, 1802

In 1802 Tripolitarians captured an American merchantman, the *Franklin*, and its crew of nine. They were freed a few months later upon payment of \$6,500 to the Bey of Tripoli.

Tripoli, 1805

In 1805 the peace treaty that ended the war between Tripoli and the United States called for the United States to

ransom about 300 American prisoners at a price of \$60,000 in return for about 100 Tripolitarians in American hands.

Algeria, 1814

In 1814 the United States paid \$8,000 to the Dey of Algeria for the ransom of six Americans captured the previous year aboard the *Edwin*.

Ethiopia, 1868

When the British Government failed to reply to a letter of friendship that the Emperor Theodore had sent to Queen Victoria, the Emperor held as hostages the British consul, Capt. Charles Duncan Cameron, and Hormuzd Rassam, a naturalized British subject who attempted to obtain Cameron's release. Theodore also held about 30 other adults (British, French, German, and Swiss nationals and their Ethiopian wives) and 23 children. Among those held were artisans in Theodore's employ and missionaries.

After prolonged negotiations, the Emperor finally sent one of the missionaries to England to ask for skilled workmen to help him modernize his country. He said he would release all of the hostages, except Rassam, in return for the workmen. However, he refused the British Government's terms for effecting the exchange, and, in consequence, the British despatched an expedition, led by Lt. Gen. R. Napier (later Field Marshal Lord Napier), who stated on his arrival in Ethiopia that his sole object was to liberate the captives. As soon as this purpose had been achieved the force would be withdrawn. Napier stated further that he did not intend to occupy Abyssinian territory or to interfere with the government. At the battle of Magdala in April 1868, Napier defeated the Ethiopians. Theodore committed suicide, and the hostages were rescued.

Franco-Prussian War, 1870

In the Franco-Prussian War, Germans seized prominent enemy citizens and put them on troop trains to preclude acts of sabotage by unknown persons. Also, during the war, Bismarck ordered French notables to be seized and taken into captivity in retaliation for France's refusal

to liberate the crews of 40 captured merchant ships. This German action is considered a reprisal because the captives were not held as hostages.

Bulgaria, 1901-02

On September 3, 1901, Bulgarian brigands abducted Miss Ellen M. Stone, an American missionary, while she was traveling to Djumabala in Turkish European territory. She was released on February 23, 1902, upon payment of \$66,000 raised by private subscription. The Department of State cooperated in the efforts to obtain Miss Stone's release.

Morocco, 1904

In 1904 a Moroccan chieftain named Raisuli seized Ion Perdicaris, who claimed to be an American citizen, and his stepson, a British subject, and held them for ransom. Naval vessels were sent to the area. Although arrangements had already been made to release the two men, President Theodore Roosevelt consulted with Secretary of State John Hay, who instructed the American consul general at Tangier to say that the United States must have "Perdicaris alive or Raisuli dead," but he was not authorized to use force in the absence of instructions to that effect.

Nicaragua, 1912

During a civil war in Nicaragua in 1912, Lt. E. H. Conger was held temporarily as a hostage while on a mission for the American Minister. The latter sent a note requesting that Lt. Conger be allowed to proceed to his destination or else start on his return to the legation. Before any more action became necessary, Conger returned to Managua, having successfully delivered his message to the rebel general.

World War I

In World War I, Germany took prominent Belgian citizens as hostages to forestall obstruction of its advance. Some hostages were killed in reprisal, and some towns were damaged. The German concept of holding whole communities responsible for individual acts culminated in the burning and sacking of Louvain, a policy that aroused international protests.

China, 1923

Bandits kidnapped 19 foreign travelers, including 12 Americans, from an express

Terrorism

train in Shantung Province early in May 1923. After prolonged negotiations, the last prisoners were released on June 12. The terms included incorporation of the bandits into the Chinese military forces, with guaranteed pay of 3 years. An American, Roy Anderson, assisted in arranging the release of prisoners. Others taking part in the negotiations were American diplomatic officials, officials of the Chinese Government, and members of the diplomatic corps in Peking. This case further revealed the weakness of the central government and resulted in demands on the part of the foreign powers for an agreement on compensation, guarantees, and sanctions.

China, 1932

Bandits described as "Communists" kidnapped an American riverboat master on the Yangtze, in Hupeh Province, on January 16, 1932. He was released on May 31 after ransom was paid. A British subject conducted the negotiations; payment was made in cash and American wheat from famine-relief supplies of the National Flood Relief Commission, China. The Department of State favored payment of ransom by the Chinese Government as the best means of effecting prompt and safe release.

Germany, World War II

The Germans resorted to the practice of keeping hostages to prevent and punish any form of civil disorder during World War II. Gen. Keitel on September 16, 1941, for example, spoke in terms of 50 or 100 lives from the occupied areas of the Soviet Union for one German life taken. The Germans also had a general "scheme of terror and intimidation"; it included orders for the execution of 100 "hostages" in retaliation for each German soldier killed, 50 "hostages" for each German soldier wounded, 10 "hostages" for each person under German protection wounded, and up to 100 "hostages" in retaliation for each attack upon any "object" under German protections. These acts were in violation of international conventions, including The Hague regulations of 1907.

A Keitel order of September 28, 1941, stated that "because of the attacks on members of the armed forces, which have taken place lately in the occupied territories, it is pointed out that it is opportune for military commanders always to have at their disposal a number of hostages of different political persuasion

... among these there should be leading personalities or members of the families of leading personalities." He said that their names should be published and that, in case of attack, hostages corresponding to the culprit were to be shot.

Another example is Gen. Boehme's order of October 10, 1941, which directed the shooting of 50 and 100 prisoners or hostages for each German or ethnic German soldier wounded or killed in Serbia and provided that these orders should be carried out in the most severe form in order to suppress Serbian resistance ruthlessly.

Britain, Vichy France, and Brazil, World War II

The British in Syria held six French civil servants loyal to Vichy as hostages for the return of Gaullists captured by the French. Vichy responded by holding as hostages 14 British subjects at Valles-Bains. After negotiations, both groups of hostages were released.

To safeguard Brazilians who, with Americans and others, were being held at Compiegne, Brazil seized as hostages the German nationals aboard two repatriation ships then in a Brazilian harbor.

Cuba, 1958

On orders from Raul Castro, brother of Fidel Castro, Cuban rebels in June 1958 kidnapped 50 persons (43 Americans and 7 others). Raul Castro demanded, as conditions for their release, that, among other things, the United States make no more arms shipments to Cuba and give assurances that the naval base at Guantanamo Bay would not be used for supplying fuel or arms. The United States replied, publicly and through Derek Wellam (American consul at Santiago de Cuba who had established contact with Raul Castro), that its decision of March 1958 not to ship arms to Cuba was unchanged and that the Guantanamo Base was not being used to supply fuel or arms. Meanwhile, the first of the prisoners had been released.

Raul Castro tried to delay releasing the remainder of the prisoners until he had received further public assurances from the United States. After a further meeting between Wellam and Raul Castro, the remaining prisoners were released; all were returned by July 16. It was subsequently confirmed that Raul Castro had seized the Americans without the knowledge of Fidel Castro, who probably was responsible for allowing the prisoners to be returned without pressing the rebel demands.

Bolivia, 1963

On December 7, 1963, Bolivian tin miners, who were antagonists of the Bolivian Government, seized four Americans and other foreigners as hostages in an attempt to obtain the release of imprisoned union leaders. The lives of the captives were in danger for several days. Bolivian troops ringed their place of detention while U.S. officials vainly offered their assistance to the Bolivian Government. The captives finally were freed after 9 days, primarily through the efforts of Bolivian Vice President Juan Lechin.

Brazil, 1970

On March 11, 1970, members of the Popular Revolutionary Vanguard kidnapped the Japanese Consul General, Nobuo Okuchi. He was released 4 days later, after the Brazilian Government agreed to release five political prisoners and fly them to Mexico.

On June 11, 1970, the Popular Revolutionary Vanguard (PRV) kidnapped West German Ambassador Ehrenfried von Holleben. A Brazilian security guard was killed and two other persons were wounded. Von Holleben's captors demanded the release of 40 political prisoners and an end to torture. He was released on June 16, after the Brazilian Government flew the political prisoners to Algeria and published the text of a revolutionary manifesto prepared by the PRV. In April 1972 a military court sentenced nine persons to life imprisonment for their involvement in the kidnapping.

On December 7, 1970, members of the National Liberation Alliance (ALN) kidnapped the Swiss Ambassador, Giovanni Enrico Bucher, and mortally wounded his bodyguard. The ALN demanded the release of 70 political prisoners and, after the prisoners were sent to Chile, released Bucher on January 14, 1971. In August 1972, three persons were sentenced to life imprisonment for involvement in this episode.

Dominican Republic, 1970

On March 24, 1970, terrorists kidnapped Lt. Col. Donald J. Crowley, the U.S. Air Attache. He was released 2 days later, after the Dominican Government freed 20 political prisoners and flew them to Mexico.

Guatemala, 1970

On March 6, 1970, members of the Rebel Armed Forces (FAR) kidnapped the U.S.

Abor Attache, Sean M. Holly. He was released 2 days later after the government freed three political prisoners.

On March 31, the FAR kidnapped West German Ambassador Count Karl von Spreti and demanded the release of 1 political prisoners. They later increased their demands to 22 prisoners and a ransom of \$700,000. The government declined to release prisoners who had already been convicted and sentenced, and von Spreti was killed on April 5. West German Chancellor Willy Brandt blamed the Guatemalan Government for not providing adequate security to foreign diplomats. He indicated that his government would have been willing to pay the ransom. Most West German diplomatic personnel in Guatemala were recalled.

Jordan, 1970

Members of the Popular Front for the Liberation of Palestine (PFLP) captured Morris Draper, head of the Political Section of the U.S. Embassy in Jordan, on June 7, 1970. His captors reportedly demanded the release of comrades who had been captured by the Jordanian Army the day before. Draper was released after 22 hours. Maj. Robert Perry, a U.S. military attache, was killed in a separate incident.

The PFLP also seized 60 hostages, including American, British, Canadian, and West German citizens at the International and Philadelphia Hotels in Amman, to protest the bombardment of Palestinian refugee camps by the Jordanian Army. The hostages were released on June 12, the day after a cease-fire was arranged in Amman between the Jordanian Army and the Palestinian guerrillas. The hostages then joined 500 foreigners who were evacuated to Beirut in an airlift organized by the International Committee of the Red Cross.

Spain, 1970

West German Honorary Consul Eugen Bohl was kidnapped on December 1, 1970, near San Sebastian by members of the Basque separatist organization, E.A. His captors demanded the release of 11 ETA members imprisoned in Spain, including 16 Basque separatists who were on trial in Burgos for killing a police chief. Beihl was freed on Christmas day, but six separatists received death sentences, nine more were sentenced to terms of 12-70 years' imprisonment, and only one was acquitted. The death sentences were commuted to 30 years' imprisonment.

Uruguay, 1970

AID official Dan A. Mitrione was kidnapped on July 31, 1970, by Tupamaro guerrillas who demanded the release of all political prisoners in Uruguay. The government refused to negotiate, and Mitrione was found dead in Montevideo on August 10.

Brazilian Consul Aloysio Dias Gomide was also kidnapped on July 31. He was released on February 21, 1971, after his wife paid a ransom of at least \$250,000.

On August 7, Claude L. Fly, an AID agricultural expert, was kidnapped by Tupamaros. The Uruguayan Government refused demands to publish the text of a revolutionary manifesto, but Fly was released March 2, 1971, after suffering a heart attack.

Sweden, 1971

On February 10, 1971, two Croatian emigres seized the Yugoslav consulate in Goteborg, took three staff members hostage, and demanded the release of a Croatian terrorist imprisoned in Yugoslavia. The Yugoslav Government refused to meet their demands, and the terrorists surrendered the next day to Swedish authorities. They were tried and sentenced to 3½ years imprisonment, but on September 16, 1972, they were released and flown to Madrid after three Croatians hijacked a Scandinavian airliner and demanded their freedom, along with the release of five Croatians involved in the assassination of the Yugoslav Ambassador on April 7, 1971.

Uruguay, 1971

On January 8, 1971, Tupamaros kidnapped British Ambassador Geoffrey Jackson in Montevideo. The Uruguayan Government refused to negotiate and intensified its campaign against terrorists. Jackson was released on September 8 after 106 Tupamaros had escaped from prison 2 days earlier.

Algeria, 1972

On October 6, 1972, Palestinian students invaded the West German consulate in Algiers and demanded that West Germany release three participants in the massacre of Israeli athletes at the Munich Olympics. The students left the consulate and freed their hostages an hour later.

Thailand, 1972

On December 28, 1972, four members of "Black September" seized the Israeli

Embassy in Bangkok and took 12 hostages, one of whom was the Israeli Ambassador to Cambodia. They demanded the release of 36 terrorists imprisoned in Israel. The Israeli Government did not comply, but Thai authorities and the Egyptian Ambassador persuaded the terrorists, after 18 hours, to free their hostages in return for safe conduct to Cairo.

Cuba, 1973

On October 15, 1973, an anti-Castro Cuban kidnapped the Belgian Ambassador while both were visiting the French Embassy in Havana. The French Ambassador voluntarily joined his colleague. The Cuban Government rejected the gunman's demand that he be allowed to leave Cuba. Security forces entered the Embassy, killed him, and freed the two Ambassadors.

France, 1973

On September 5, 1973, five Palestinians seized the Saudi Embassy in Paris, took 13 hostages, and demanded that Jordan release imprisoned Al Fatah leader Abu Daoud. The Jordanian Government did not meet this demand, and the terrorists were allowed to leave France with four of their hostages. They surrendered to authorities and released their hostages in Kuwait on September 8, after stops in Cairo, Kuwait, and Saudi Arabia. In October the terrorists were allowed to go to Syria.

Haiti, 1973

On January 23, 1973, three Haitians kidnapped U.S. Ambassador Clinton E. Knox. Their initial demands were for the release of 31 political prisoners and a \$500,000 ransom. Consul General Ward L. Christensen voluntarily joined Knox in captivity during the negotiations. The next day the terrorists reduced their demands to the release of 16 political prisoners, a ransom of \$70,000, and safe conduct to Mexico. Knox and Christensen were released after the Haitian Government met the reduced demands. The terrorists and the released prisoners, accompanied by the Mexican Ambassador, were flown to Mexico, where the ransom money was taken from them and returned to Haiti. Mexico refused to accept the political prisoners, who then proceeded to Chile.

Mexico, 1973

Members of the Peoples Revolutionary Armed Forces kidnapped Terrence G.

Terrorism

Leonhardy, the American consul general in Guadalajara, on May 4, 1973. They demanded freedom for 30 political prisoners, passage to Cuba, publication of a communique, and suspension of a police search for them. Leonhardy was freed on May 7 after the Mexican Government met the demands. Five persons were later arrested in connection with the case.

Sudan, 1973

On March 1, 1973, eight members of the Palestinian terrorist group "Black September" seized the Saudi Embassy in Khartoum during a farewell reception for American charge d'affaires George Curtis Moore. They took 10 hostages, including Moore, incoming U.S. Ambassador Cleo A. Noel, Jr., the Saudi Ambassador and his family, and the Belgian and Jordanian charges. They demanded the release of Al Fatah leader Abu Daoud, other Palestinians held by Jordan and Israel, Sirhan Sirhan, and members of the Baader-Meinhof gang imprisoned in Germany. All the hostages except Noel, Moore, and the Belgian charge, Guy Eid, were released, and the terrorists reduced their demands to the release of Abu Daoud and 16 Palestinians held by Jordan. The Government of Sudan refused to negotiate, and all the remaining hostages were killed. The terrorists surrendered on March 6.

President Nimeiri denounced the incident as "a criminal act devoid of any reason or bravery," and the Sudanese Government banned further operations by Palestinian organizations. The trial of the terrorists began on June 1, 1974. They were convicted on June 24 and sentenced to life imprisonment, but President Nimeiri commuted their sentences to 7 years and released them to the Palestine Liberation Organization the next day. The terrorists were then flown to Cairo, where Egyptian authorities imprisoned them.

United Kingdom, 1973

On February 20, 1973, three Pakistanis invaded the Indian High Commission Office in London and took several members of the staff as hostages. They demanded the release of Pakistani prisoners of war held by India. British police killed two of the terrorists and captured the third.

Venezuela, 1973

Red Flag guerrillas kidnapped West German Honorary Consul Kurt Nagel in

Maracaibo on November 20, 1973. Before his captors could make any demands, Nagel was freed and two guerrillas were captured in a clash with four farmers on November 22.

Argentina, 1974

Members of the Peoples' Revolutionary Army (ERP) kidnapped USIA Director Alfred A. Laun in Cordoba on April 12, 1974. Laun, who was wounded when captured, was released several hours later.

Dominican Republic, 1974

On September 27, 1974, members of the January 12 Liberation Movement kidnapped USIA Director Barbara Hutchison and then seized the Venezuelan consulate in Santo Domingo, capturing the consul, the vice consul, a Spanish priest, and four local employees. The terrorists demanded the release of 38 political prisoners and a ransom of \$1 million. When they demanded the release of 32 more prisoners, 10 of the prisoners joined most of the Dominican left in condemning the affair. The Dominican Government refused to comply with the terrorists' demands, and the hostages were freed on October 9 in return for safe conduct to Panama.

Kuwait, 1974

On February 6, 1974, five members of the Popular Front for the Liberation of Palestine (PFLP) seized the Japanese Embassy and took 12 hostages, including the Ambassador. They demanded that Japan arrange to fly two of their comrades and two members of the Japanese Red Army to Kuwait from Singapore, where they were imprisoned. Japan complied, the hostages were freed, and the terrorists were granted safe passage to South Yemen.

Mexico, 1974

Members of the Peoples' Liberation Army kidnapped American vice consul John Patterson near Hermosillo on March 22. They demanded a ransom of \$500,000. Mrs. Patterson claimed that all attempts she made to deliver the ransom were unsuccessful. Patterson was found dead in the desert on July 8.

On December 5, 1974, a lone gunman, claiming to be a member of the "September 23" guerrilla group, seized two diplomats at the French Embassy and demanded political asylum and passage to France. Mexican authorities agreed to meet his demands after 4 hours but arrested the gunman at the airport.

The Netherlands, 1974

On September 13, 1974, four members of the Japanese Red Army seized the French Embassy in The Hague and took 11 hostages, including the French Ambassador, Jacques Senard. They demanded a ransom of \$1 million, an aircraft, and the release of a comrade imprisoned in France. The French and Dutch Governments met most of their demands; all hostages were released on September 16 and 17, and all four terrorists were flown to Syria.

United States, 1974

On November 18, 1974, a lone gunman entered the Philippine Embassy, wounded a staff member, and held the Ambassador hostage. He demanded that the Philippine Government allow his son to join him in the United States. His demand was met, after which he freed the Ambassador and surrendered.

Argentina, 1975

On February 26, 1975, Montoneros guerrillas kidnapped John P. Egan, a retiree businessman serving as the American Honorary Consul in Cordoba. They demanded that 4 captured guerrillas be shown on national television or else Egan would be killed. Egan was found dead the next day.

Austria, 1975

On December 21, 1975, six pro-Palestinian guerrillas attacked the OPEC Conference in Vienna, killing three persons wounding seven others, and taking 81 hostages. The hostages included 11 OPEC oil ministers, among them Saudi Arabia's Sheik Ahmed Zaki Yamani. The terrorists reportedly were two Palestinians, one Lebanese, two West Germans, and a Venezuelan, allegedly Ilich Ramirez Sanchez, also known as "Carlos Martinez." Their communique denounced Iran as an "imperialist tool" called Egyptian President Sadat a "leading traitor" for signing the Sinai accord with Israel; praised Iraq, Syria, and the Palestinians as "progressives"; and demanded that the Arab people have full sovereignty over their oil resources.

Austrian Chancellor Kreisky and Algerian Foreign Minister Bouteflika negotiated an agreement granting the terrorists safe conduct to Algeria in return for the release of 41 Austrian hostages and a declaration by the other hostages stating that they were voluntarily accompanying the terrorists. The terrorists left Vienna aboard an Austrian

liner on December 22 and released the remaining hostages in Algiers and Tripoli before surrendering to Algerian authorities on December 23.

Malaysia, 1975

On August 4, 1975, five members of the Japanese Red Army seized the consular sections of the American and Swedish Embassies in Kuala Lumpur and took 52 hostages, including the Swedish charge d'affaires and the American consul Robert S. Stebbins. The hostages were freed after Japan agreed to release five other members of the Red Army. All 10 departed for Libya on August 8.

The Netherlands, 1975

On December 4, 1975, six South Moluccans seized the Indonesian consulate in Amsterdam, taking 47 hostages. They demanded independence for the South Moluccan Islands. Another group, which had seized a passenger train 2 days earlier, also demanded that the Dutch Government free five Moluccans, recognize a Moluccan government in exile, and provide safe conduct to an undisclosed destination. The Dutch Government rejected all these demands. The Moluccans holding the train surrendered on December 12, and those in the consulate did so on December 18.

Spain, 1975

On September 15, 1975, four Arab terrorists seized the Egyptian Embassy in Madrid and threatened to kill the Ambassador and two aides unless Egypt renounced the Sinai agreement with Israel. The Ambassadors of Iraq, Kuwait, Algeria, and Jordan negotiated with the terrorists and joined the Egyptian Ambassador in signing a document denouncing the agreement. (The Egyptian Government later dismissed this statement as a worthless piece of paper.) The terrorists, accompanied by the Iraqi and Algerian Ambassadors, flew to Algiers on September 16 and released their hostages there.

Sweden, 1975

On April 24, 1975, six West German radicals seized the West German Embassy in Stockholm, taking 12 hostages, including Ambassador Dietrich Stocker. The military attaché, Lt. Col. Andreas von Mirbach, was killed by the terrorists when Swedish police tried to enter the building. The terrorists demanded \$20,000 and the release of 26 comrades imprisoned in West Germany.

Although the West German Government had freed five terrorists earlier in the year after the kidnapping of a West Berlin mayoral candidate, Peter Lorenz, this time it refused to meet the terrorists' demands.

The terrorists then threatened to kill a hostage every hour until their demands were met, and economic attaché Heinz Hillegaart was the first to die. An explosion took place in the Embassy just before midnight, killing one terrorist. The Swedish police captured others as they fled the building. The Swedish Government extradited all five terrorists to West Germany. One died of injuries received in the explosion, the other four were tried in Duesseldorf between May 6, 1976, and July 20, 1977. They were convicted and sentenced to two terms of life imprisonment.

Tanzania, 1975

On May 19, 1975, members of the Zaire People's Revolution Party (PRP) kidnapped a Dutch student and three American students from Stanford University from Gombe Stream Research Center in Tanzania. One student was released on May 26 to deliver the PRP's demand for \$500,000, arms and ammunition, and the release of two comrades held in Tanzania. The Tanzanian Government refused to meet the terrorists' demands, and efforts by American diplomats and the families of the hostages to contact them were unsuccessful. Two hostages were released on June 28 and the last on July 27 after their families and Stanford University reportedly paid a ransom of \$40,000.

Italy, 1976

On October 11, 1976, three Palestinians seized the Syrian Embassy and took five hostages to protest the Syrian intervention in Lebanon. They surrendered to Italian authorities 2 hours later.

Brazil, 1978

On May 24, 1978, a lone gunman entered the Mexican consulate in Recife, where he captured the honorary consul and four other persons. He demanded safe passage to Cuba, Mexico, Sweden, or Eastern Europe. He released the hostages when he believed his demands would be met and was then placed under arrest.

France, 1978

On July 31, 1978, two Arab terrorists seized the Iraqi Embassy in Paris. One terrorist fled, but the other took nine

hostages and demanded that Britain release an Arab woman who had tried to kill the Iraqi Ambassador there. After 8 hours of negotiation, the lone terrorist surrendered to French police and freed the hostages. Iraqi security guards then opened fire, wounding him and killing a policeman. The French police returned the fire, killing one Iraqi and wounding three others.

United States, 1978

Two Puerto Ricans occupied the Chilean consulate in San Juan on July 3, 1978. They took four hostages, including the consul, and demanded the release of four Puerto Ricans who had been imprisoned for the 1950 attempt to assassinate President Truman and the 1954 attack on the House of Representatives. The two surrendered and released their hostages after 17 hours of negotiations.

On August 17, two Croatians seized eight hostages in the West German consulate in Chicago and demanded that West Germany release a Croatian imprisoned in Cologne. After 10 hours of negotiations, the Croatians released their hostages and surrendered.

Afghanistan, 1979

On February 14, 1979, four Afghans kidnapped U.S. Ambassador Adolph Dubs in Kabul and demanded the release of various "religious figures" held by the Afghan Government. Dubs was killed when Afghan police stormed the hotel room where he was being held. The U.S. Government protested to the Afghan Government for not having tried to secure Dubs' release peacefully and drastically reduced its foreign aid programs there. As of early 1981, no Ambassador has been appointed to replace Dubs.

El Salvador, 1979

On January 16, 1979, 30 members of the United Popular Action Front seized the Mexican Embassy and the offices of the OAS and the Red Cross, taking between 120 and 156 hostages. They demanded freedom for all political prisoners in El Salvador but settled for safe passage to Mexico after 2 days of negotiations.

On January 17 members of the Armed Forces of National Resistance (FARN) kidnapped Ernesto Liebes, a local businessman serving as Israel's honorary consul. They demanded that the government release five "missing persons," publish a revolutionary manifesto, and pay a substantial ransom. The

Salvadorean Government released 22 political prisoners on March 21, but Liebes was found dead the next day.

FARN had also kidnapped six foreign businessmen during November and December of 1978. A Japanese was killed, but the others were released after their employers paid substantial ransoms.

On May 4 members of the Popular Revolutionary Bloc (BRP) seized the Costa Rican and French Embassies, taking 11 hostages, including both Ambassadors, and demanding the release of 5 of their imprisoned leaders. On May 8 the Costa Rican Ambassador and his four companions escaped, and their captors agreed to accept safe conduct to Costa Rica. The French Government sent a special envoy to help negotiate the release of its Ambassador and his five companions.

On May 11 the Salvadoran Government released two BRP leaders but denied that it held the other three. Nine members of the BRP then seized the Venezuelan Embassy, capturing the Ambassador and seven other persons. These hostages escaped on May 20. The government then cut off food, water, and electricity to the Embassy. Security forces dispersed a demonstration calling for resumption of food supplies to the occupants, and the government declared a state of siege on May 23. Venezuela ordered the evacuation of its nationals from El Salvador. On June 1 the terrorists at both Embassies freed their hostages in return for safe conduct to Panama. They were later granted asylum in Cuba.

Iran, 1979

On November 4, 1979, a mob of Iranian students occupied the American Embassy in Tehran and captured 66 Americans, all but 2 of them Embassy personnel. On November 7, the Iranians demanded the return of the deposed Shah, who had been admitted to the United States for medical treatment, as a precondition for release of the hostages. The United States stopped delivery of military supplies (November 9), suspended imports of Iranian oil (November 12), froze Iranian assets (November 14), and began to assemble naval forces in the Indian Ocean.

Iran released one woman and two black Marine Security Guards on November 19, and four women and six blacks the next day. The remaining hostages were threatened at various times with trial as spies. Six members of the Embassy staff had escaped from the

Consular Section during the takeover and found shelter at the Canadian Embassy. Canada closed its Embassy on January 28, 1980, and brought the six Americans out the next day.

Despite support from the United Nations and two favorable rulings by the International Court of Justice, the United States was unable to secure the release of the hostages until minutes before President Carter left office on January 20, 1981. The United States broke relations with Iran on April 7 and banned travel to Iran on April 20. An attempt to rescue the hostages failed on April 25, resulting in the deaths of eight American military personnel. Secretary of State Cyrus Vance resigned shortly thereafter. Richard Queen, a consular officer, was released on July 10 due to ill health.

Following the death of the former Shah on June 27, Iran modified its demands to include the return of the Shah's wealth, cancellation of American claims against Iran, unfreezing of assets, and a promise of noninterference in Iranian affairs. On November 3 the Iranian militants turned the hostages over to the government. Negotiations leading to the release of the hostages began in Algiers on November 10.

Turkey, 1979

On July 13, 1979, four Palestinian terrorists stormed the Egyptian Embassy, killing a policeman and 2 security guards and taking 20 hostages, including the Egyptian Ambassador. They demanded that Egypt free two Palestinians and that Turkey break relations with Egypt, recognize Palestine, and grant them safe conduct to an undisclosed destination. One hostage was freed during the negotiations and four others escaped. The rest were freed when the terrorists surrendered 2 days later.

Colombia, 1980

On February 27, 1980, Colombian terrorists seized the Embassy of the Dominican Republic in Bogota, capturing 30 diplomats from 17 countries, including 15 chiefs of missions. Ambassador Diego Asencio was the only American among them. The terrorists initially demanded the release of 311 political prisoners, a \$50 million ransom, and government publication of their manifesto. They gradually reduced their demands and released all but 18 of their hostages. The remaining hostages, in-

cluding Ambassador Asencio, were freed on April 27 in return for a \$2.5 million ransom and passage to Cuba.

El Salvador, 1980

On January 11, 1980, 50 members of the 28 February Popular League seized the Panamanian Embassy and took seven hostages, including the Ambassadors of Panama and Costa Rica. They demanded the release of several members of their group who had been arrested a month earlier. The Salvadoran Government complied, and the hostages were released on January 14.

On February 4, members of the Popular League seized the Spanish Embassy and took 11 hostages, including the Ambassador. They demanded that five political prisoners be released and that Spain break relations with El Salvador. They gradually released the hostages freeing the last two Spanish diplomats on February 18, after the Salvadoran Government freed the last of the prisoners in question.

On February 13, a group of leftists briefly occupied the Panamanian Embassy, took the Ambassador and two other persons hostage, and demanded the release of political prisoners. They departed the Embassy after the Ambassador promised to present their demands to the Salvadoran Government.

United Kingdom, 1980

On April 30, six Iranian Arabs seized the Iranian Embassy in London, took 26 hostages, and demanded that Iran release 91 political prisoners and grant more rights to its Arab minority. Five hostages were released over the next 5 days. On May 5 two hostages were killed and the remainder threatened with execution. A Special Air Services team stormed the Embassy, rescued the remaining 19 hostages, and killed five of the six terrorists. Much of the Embassy was destroyed by fire.

Lebanon, 1981

On February 6, 1981, pro-Syrian terrorists, calling themselves "The Eagles of the Revolution," kidnapped Jordanian charge d'affaires. Hisham Moheissen in Beirut. Three security guards were killed. The terrorists have threatened to kill Moheissen unless seven defecting Syrian Air Force pilots are returned, two from Jordan and five from Iraq. A February 9 deadline for compliance passed, but Moheissen's whereabouts remain unknown. Jordan has recalled its Ambassador to Syria. ■

Visit of Jamaican Prime Minister

Prime Minister Edward Seaga of Jamaica made an official visit to Washington, D. C., January 27-29, 1981, to meet with President Reagan. Following are remarks exchanged at a luncheon at the White House on January 28, and an exchange of remarks at the Prime Minister's departure on January 29.

LUNCHEON REMARKS JAN. 28, 1981¹

President Reagan

It is a pleasure for Nancy and me to welcome all of you here today. It's an honor of great significance to be host to the leader of a nation that is not only a close friend and a good neighbor of the United States but, with recent struggles to remain free of foreign interference, is an inspiration to the world.

You are the first head of state to be our guest since I have taken office, and this tells me a great deal, because it speaks to the bond between our two countries. We share the commitment of the people around the world. We also share a personal bond, because we have both come to office at nearly the same moment in history. We are both faced with problems, and we both perceive great opportunities for our countries.

Discussing some of our natural concerns during the meeting this morning has made me even more mindful of the matters that bring us together. The times in which we find ourselves, the world in which our countries and the people exist require great courage. The trust given to every free individual, and particularly to you and me, is to protect and insure for our children and our children's children the liberty.

It's a special pleasure, to welcome a leader of such unique and personal courage. That courage and the bold message that your people sent the world in electing you to lead them is testimony to the power of one man's dedication of the affirmation of free people, a democracy, and free enterprise. I pledge to you the good will, the cooperation, and the moral and material assistance of the United States as you are to meet the many challenges you will face in the months ahead. Some of these challenges will come from forces hostile to our shared

transitions and mutual interests. I'm confident that you will fulfill the trust that is placed in you by your country and embody the hope of all free people, not only in the Caribbean but in this hemisphere and around the world.

Those here, today, who believe in free enterprise have a great opportunity to put that belief into action. The Prime Minister shares that belief, and his country's greatest need is the development of business and industry to provide a sound private-sector economic base in his country.

I would ask that you join me in a toast to the Prime Minister of Jamaica and Mrs. Seaga and to the friendship and alliance that we've renewed here today and to the common endeavor to preserve the peace, independence, and the freedom of his country.

Prime Minister Seaga

It has been a great honor for my wife and myself and my delegation to have been the first invitees of your new Administration to Washington on an official visit. This honor has, in fact, caused some degree of speculation as to why we have been selected as the first of many. And in pondering the many possibilities as to the reason for this honor on my country and on ourselves, I'm reminded of the story of a centipede that was suffering from arthritis. [Laughter]

The centipede decided to consult with a doctor who was a stork. The stork made the obvious observation that he didn't have as much a problem in arthritis as the centipede did because he had only two legs, and, therefore, the solution to the problem was to reduce the centipede to two legs. The centipede considered this and realizing that there would be a 98% improvement immediately—[Laughter]—decided that it would be worthwhile. But out of the caution of all those creatures that move slowly, he was prompted to ask, "Tell me, how are you going to make this transformation?" to which the stork replies, "I don't know. That's policy." [Laughter]

We don't know whether we are here for reasons of policy, but we would like to think that there are policies being evolved surrounding our presence. We

know that we, too, suffer from the problems of the centipede. As a nation, economically and politically, we are arthritic. We have inherited the malady, and it is a malady that is going to take time to cure. We know that you have policies that can assist us in curing them, and if there is one policy that ought to predominate in our thinking at this stage, it is the common outlook that we have in regard to how to deal with the difficult situations.

I say it here and now that although we are your guests, we are not guests who are here to take advantage of a situation by making enormous requests for assistance and for aid. That is not the purpose of our visit. Indeed, of the many issues that we are raising for discussion between the two Administrations, aid plays a very minor role. Our concept of policy in this matter is one which directs to the possibility of developing greater flows in trade and in finance, the flows that will move capital and technology across the border to the economic development and betterment and mutual betterment of our people. This being our policy outlook, therefore, we hope that our arthritic problem may have the necessary injections, which won't be by



White House photo by Bill Fitz-Patrick

President and Mrs. Reagan and Prime Minister and Mrs. Seaga

surgical means but by medicinal doses which will assist in helping us to overcome the problems we have inherited.

I would like to think, also, that our presence here is not only connected with the question of the transfusions between financial and trading movements of capital and goods. I would like to think that the signal that has been sent is a signal of the resumption of the great friendship that used to exist between the peoples of Jamaica and of the United States.

That great friendship had blossomed over many decades, cemented by bonds of migration, by bonds of investment, and by bonds of a commonality of interest among our people which have created a degree of inseparableness over which years we came to look at things together in like mind and in like manner. Over the past few years that bond was tested, tested severely and, indeed, ruptured in many instances when this country and its people were being made the maligned butt and reason for the failures of the policies of the regime which ruled

in Jamaica at that time. We hope that our being selected as your first visitors is a sign and a signal that we can resume the friendship in the strength of bonds that we used to know between the American and Jamaican people.

And as a token of that resumption, I would like to make reference to a matter of human compassion, something that has nothing to do, whatsoever, with our reception here, for which we have had the greatest expressions of warmth on both sides. We are cognizant of the fact that the American people have suffered through 444 days of captivity of 52 of their citizens as hostages in Iran. And at times you wondered who your friends were. Well, some of your friends were sitting by and waiting for the day when they would be able to assist and to share in any manner in which they could find possible toward the solution and toward all the recovery programs that must proceed after the solution.

On behalf of my government, I have the greatest pleasure in offering, toward

that recuperation and recovery, some of our sunshine, some of our beaches, some of our climate, by offering 1 week's private vacation to each of the hostage and their families at any time that they may wish to take this up in the course of this year.

We have had your great friendship and your hospitality. We have had the warmth of your Cabinet ministers and great deal of cordiality from all with whom we have met. It has been a delightful occasion, and one which we hope will set the base for our future relations.

We congratulate you on your magnificent victory, and we look forward to your party taking up the enormous task that it has on its shoulders of world and domestic leadership and responding to the cause of world needs, responding to the cause of domestic needs in a balanced manner which will enhance your victory as a considerable achievement of the American people.

We thank you for the hospitality that you have offered, and we wish you the greatest success in your regime.

May I ask you all to rise and toast President and Mrs. Reagan, the Government and the people of the United States.

Jamaica—A Profile

Geography

Area: 4,411 sq. mi. Capital: Kingston (pop. 600,000).

People

Population: 2.2 million (1978 est.). Annual Growth Rate: 1.4%. Ethnic Groups: African (76.3%), Afro-European (15.1%), East Indian and Afro-East Indian (3.4%), European (3.2%), Chinese and Afro-Chinese (1.2%). Religions: Anglican, Pentecostal, and other Protestant; Roman Catholic. Languages: English, Creole.

Government

Type: Constitutional monarchy. Date of Independence: Aug. 6, 1962. Constitution: Aug. 6, 1962. Branches: *Executive*—Governor General (Chief of State, represents Queen of England), Prime Minister. Cabinet. *Legislative*—bicameral Parliament (21 Senators, 60 Representatives). *Judicial*—Court of Appeal. Political Parties: People's National Party (PNP), Jamaica Labour Party (JLP). Suffrage: Universal over 18.

Economy

GNP: \$2.4 billion (1978 est.). Real Growth Rate: -1.7% (1978). Per Capita Income: \$1,143 (1978). Average Rate of Inflation: 45% (1978). Agriculture: *Products*—sugar, bananas, citrus fruits, coffee, pimento, allspice,

coconuts. *Labor Force*—28.1%. *Industries*: Bauxite, textiles, processed foods, sugar, rum, molasses, cement, metal, paper, chemical products, tourism. Trade (1978): *Exports*—\$738 million: alumina, bauxite, sugar, bananas, citrus fruits and products, rum, cocoa. *Partners*—U.S. (37%), U.K. (24%), Canada (8%), Norway (7.5%), CARICOM (6.6%), U.S.S.R. (1.7%). *Imports*—\$865 million: machinery, transportation and electrical equipment, food, fuels, fertilizer. *Partners*—U.S. (38%), Venezuela (16%), U.K. (10.5%), Canada (5.7%), Netherlands Antilles (5.4%), CARICOM (5%). Official Exchange Rate: 1.55 Jamaican dollars = US\$1.00. Economic Aid Received: U.S.—\$160.4 million (FY 1962-78). International organizations—\$349.5 million (FY 1962-78). Other Western countries—\$176.6 million (FY 1969-78).

Membership in International Organizations

U.N., OAS, IBRD, International Development Bank, Caribbean Development Bank, Caribbean Common Market, General Agreement on Tariffs and Trade, International Bauxite Association.

Principal Government Officials

Jamaica: Governor General—Florizel Glasspole; Prime Minister—Edward Seaga; Minister of Foreign Affairs—Hugh Shearer; Ambassador to the U.S.—Keith Johnson; United States: Ambassador to Jamaica—Loren E. Lawrence. ■

DEPARTURE REMARKS JAN. 29, 1981¹

President Reagan

Prime Minister Seaga and I have found today that we have much in common, frankly, because we both came into office about the same time. We've been exchanging stories about how similar our problems are, but I also think we share the view that our peoples are also strong enough to solve those problems. I found our discussions to be very helpful, and I'm convinced that this meeting will help strengthen the ties of friendship between Jamaica and the United States.

I told Prime Seaga that our country noted with great pride his accomplishments at his election. The people of the United States take great hope from Prime Minister Seaga's election, and I am confident that we'll find ways to strongly support Jamaica. We are unrelaxed about the status of events in the Caribbean and the instability being in-

ected on some countries in the Caribbean and in other places in the hemisphere from outside.

His election is a most hopeful event with which Americans can identify, and I'm delighted to start off my Presidency with this first visit. I can assure him and, indeed, all countries that the United States will continue to respect peaceful political change, change that, in this instance, offers great hope for freedom. I was impressed by the Prime Minister's strong commitment to rebuilding the Jamaican economy. I assured the Prime Minister that he could count on American support for his objectives, especially his efforts to expand his country's private sector.

We are honored to have you as America's first foreign visitor in our Administration, and let me express my personal hope that the first shall not be the last.

Prime Minister Seaga

We are very pleased to have been honored to be the first visitor in an official visit to the United States under your Administration. This signal has many interpretations, but to our minds one of the interpretations which we would like to place on it is a new emphasis that may be developing in respect to Latin America and the Caribbean.

We have taken note of the fact that under the regime of former President Nixon there was a foreign policy thrust toward the Far East, and that under President Carter there was a foreign policy thrust in Africa. We are hopeful that your visit here is a signal that there will be a foreign policy thrust in Latin America and the Caribbean.

This does not mean that in making these thrusts all responsibilities in our midst are being abandoned. It simply means that new areas are being explored. And if that is so, then the policy of good neighbors once again comes to the front. And we can promise that we will be an effective part of any program of good neighbors, because there is a great deal of commonality of interests between our peoples and the objectives of our leadership.

We have taken great interest in the career of President Reagan and in his success and in the timeliness of his success which has coincided with similar events taking place in the Caribbean over the last year. Six Caribbean countries have all unilaterally decided to shift—indeed, to revolt—from the left to the center. This has presented a timely

U.S.-Mexico Terminate Fishing Agreements

On December 29, 1980, the Government of Mexico formally notified the Government of the United States of its intention to terminate the two fishing agreements currently in force for the two countries. The U.S.-Mexico bilateral fisheries agreement signed on November 24, 1976, will expire on December 29, 1981, 1 year after the Mexican notification. The U.S.-Mexico Governing International Fisheries Agreement (GIFA), signed on August 26, 1977, will terminate on June 29, 6 months after the Mexican notification.

In 1976 both the United States and Mexico were on the eve of enforcing 200-mile zones in which each would control fisheries. At that point, we negotiated the first of two companion agreements designed to describe a mutually beneficial fisheries relationship between our countries. In 1977 the second agreement was negotiated. At the time, it was the hope and expectation of both governments that the two fishing agreements would establish the framework in which a mutually beneficial fisheries relationship could develop. It is now evident

that our expectations that a positive fisheries relationship would result have not been realized.

The U.S. Government regrets that the Government of Mexico no longer believes that these two documents can provide the framework for achieving their objectives. We believe the termination of the agreements, unless they are replaced by a new mechanism, will severely hurt fishermen of both countries, not only those who now depend on fishing for their livelihood but also those who looked to the potential of the seas off the coasts of the two countries to create new opportunities.

With specific reference to the meaning for the United States of the termination of the 1976 agreement, the vessels involved in these fisheries off the coast of Mexico are small, individually-owned, mostly older boats that have a long history of small-scale fishing off that coast. After December 29, 1981, with the termination of this agreement, 76 small U.S. tuna vessels now permitted to fish inside 12 miles of the Pacific coast of Mexico and some 50 U.S. vessels fishing

moment and one which a new Administration coming in to Washington at that time has an opportunity to capture in terms of a universality of thinking and of action.

We hope that we may be a part of the development process of this country's interest in the Caribbean and that you may be a part of our process in thinking out our own problems. In short, this means consultations. It means sharing our thinking as to what problems will arise in my country and in the Caribbean with you and seeking answers that can be effective and practical and mutually of interest. It means when your problems are sticky that we may be available for consultation. It is on the basis of this mutuality that we see a forward program; we see a position of mutual interest developing into policies of good neighborliness, policies which can help in the rebirth of influence and position of Latin America and the Caribbean in the spectrum of the world.

We have had an excellent visit, and we have had discussions with the President and his team which are far-reaching and are of great interest. We sincerely hope that in the days to come that these

will be renewed at other levels in a more practical sense. We thank you for the warm, cordial hospitality that you have offered us and for the sunshine. It only remains as to whose credit the sunshine is due, Jamaica's or California's. [Laughter]

President Reagan

Normally, I don't put a postscript on a tribute such as you've just paid, but I feel that all our people should know that one of the most gracious invitations has been extended by the Prime Minister. Those whom we honored here on the lawn yesterday—our returned, freed Americans and their families—have been invited, at any time that is suitable to them, to come as his guests on a visit to Jamaica. It was a most gracious gesture, and I think all Americans owe him a thank you for that. It will be a private vacation for them. They will be his guests only to the extent that he has made it available.

¹Text from Weekly Compilation of Presidential Documents of Feb. 2, 1981. ■

snappers and groupers in the Gulf of Mexico beyond 12 miles from the Mexican coast will no longer be able to continue these fisheries.

Termination of the 1977 GIFA will end the right of Mexico to apply to fish for U.S. fisheries resources determined to be in surplus of the needs of U.S. fishermen. Mexican vessels have been fishing pollock off Alaska and squid off New England. Mexican vessels do not have a long history of fishing off the U.S. coasts, but in the last few years the squid fishery has been especially successful and valuable for them. The potential for fishing by Mexico off the U.S. coast is very great because there are substantial surpluses that the U.S. could make available to Mexican fishermen. This, of course, would be difficult to justify without clearly reciprocal treatment of U.S. fishermen in fisheries off Mexico.

Although it has been noted by the Government of Mexico that the failure to receive allocations of squid from the United States in recent months was one of the major reasons for the decision by the Mexican Government to terminate the agreements, the United States has been willing to continue allocations of squid to Mexico. We recently made this clear to the Government of Mexico. The United States, however, has insisted that, in return, Mexico live up to both the letter and spirit of the 1976 bilateral fisheries agreement.

In expressing its regret over the Mexican decision and in voicing its willingness to continue consultations toward a new framework for a positive fisheries relationship, the United States must, nonetheless, express that it, too, has been disappointed with the results of the relationship initiated with such bright hopes in 1976. For the United States, the fisheries relationship has been found not only dissatisfying, but frustrating.

The U.S. Government is pleased to note the willingness of the Mexican Government to continue consultations on fisheries matters of mutual concern and is, of course, prepared to engage in such consultations. The United States looks forward to an indication of an appropriate moment for embarking upon a new effort toward a successful and meaningful fisheries relationship with Mexico.

Made available to news correspondents by acting Department Spokesman William Dyess on Jan. 2, 1981. ■

U.S.-Mexico Sign Convention on Recovery and Return of Stolen Vehicles and Aircraft

U.S. Ambassador at Large, Robert Krueger, and Mexican Ambassador to the United States, Hugo B. Margain, signed on January 16, 1981, a new Convention for the Recovery and Return of Stolen or Embezzled Vehicles and Aircraft, which, when ratified by both countries, will supersede a 1936 convention on the same subject matter. The new convention is the result of negotiations over the last year and a half within the Legal Affairs Working Group of the U.S.-Mexico Consultative Mechanism, a bilateral framework for the discussion and negotiation of issues of mutual concern established in early 1977. Representatives of both countries in that forum felt that the 1936 convention was no longer an adequate instrument for responding to the transborder problems stemming from the theft or embezzlement of vehicles and aircraft.

Today the estimated value of aircraft and vehicles stolen in the United States and taken into Mexico each year exceeds \$100 million. At the same time, aircraft—many of them allegedly stolen or embezzled—have become the principal means of transporting contraband into Mexico. Electronic goods, appliances, and firearms valued at more than \$1 billion are now taken from the United States each year into Mexico in violation

of that country's laws. The new convention has been drafted with these two problems in mind. It is expected to result in the return of a significantly larger number of U.S.-registered vehicles and aircraft from Mexico and in better law enforcement along the border.

In signing the convention, Ambassador Krueger commented that it exemplified the reasoned approach that the United States and Mexico have taken toward resolving mutual problems. He continued:

In the last year and a half, both governments have worked hard through the Consultative Mechanism to arrive at agreements on the sale of natural gas, the sale of grains, mutual assistance in the event of natural disasters, and a joint marine pollution contingency plan. Today, the citizens of both countries, particularly those in the border states, can look forward to better law enforcement and the protection of personal property. With this spirit in mind, I anticipate continued coordination with our good neighbor to the south.

The new convention will come into force upon the exchange of instrument of ratification, which will require the prior advice and consent of the Senate of each country.

Press release 14 of Jan. 16, 1981. ■

Current Actions

MULTILATERAL

Agriculture

International agreement for the creation at Paris of an International Office for Epizootics, with annex. Done at Paris Jan. 25, 1924. Entered into force Jan. 17, 1925; for the U.S. July 29, 1975. TIAS 8141.
Accession deposited: U.A.E., Apr. 14, 1980.
Convention on the Inter-American Institute of Cooperation on Agriculture. Done at Washington Mar. 6, 1979.
Signature: Grenada, Nov. 21, 1980.
Ratifications deposited: Brazil, Oct. 2, 1980; Costa Rica, Dec. 8, 1980; Grenada, Dec. 22, 1980; Trinidad and Tobago, Dec. 5, 1980.
Entered into force: Dec. 8, 1980.

Arbitration

Convention on the recognition and enforcement of foreign arbitral awards. Done at New York June 10, 1958. Entered into force June 7, 1959; for the U.S. Dec. 29, 1970. TIAS 6997.
Accession deposited: Cyprus, Dec. 29, 1980.
Accession deposited: Cayman Islands and Belize, Nov. 28, 1980.¹

Astronauts

Agreement on the rescue of astronauts, the return of astronauts, and the return of objects launched into outer space. Done at Washington and London and Moscow Apr. 22, 1968. Entered into force Dec. 3, 1968. TIAS 6599.
Accession deposited: Papua New Guinea, Nov. 13, 1980.

Aviation, Civil

Convention on offenses and certain other acts committed on board aircraft. Done at Tokyo Sept. 14, 1963. Entered into force Dec. 4, 1969. TIAS 6768.
Accessions deposited: El Salvador, Feb. 12, 1979; Syria, July 31, 1980.²
Notification of succession deposited: Suriname, Sept. 10, 1979.

Convention for the suppression of unlawful acts against the safety of civil aviation. Done at Montreal Sept. 23, 1971. Entered into force Jan. 26, 1973. TIAS 7570.

Accession deposited: China, Sept. 10, 1980.^{2,3}

Convention for the suppression on unlawful seizure of aircraft. Done at The Hague Dec. 16, 1970. Entered into force Oct. 14, 1971. TIAS 7192.

Accession deposited: China, Sept. 10, 1980.^{2,3}

Biological Weapons

Convention on the prohibition of the development, production, and stockpiling of bacteriological (biological) and toxin weapons and on their destruction. Done at Washington, London, and Moscow Apr. 10, 1972. Entered into force Mar. 26, 1975. TIAS 8062.
Accession deposited: Papua New Guinea, Nov. 13, 1980.

Commodities—Common Fund

Agreement establishing the Common Fund for Commodities, with schedules. Done at Geneva June 27, 1980.⁴
Signatures: Japan, Nov. 28, 1980; Venezuela, Dec. 5, 1980;² Canada, Jan. 15, 1981; Haiti, Jan. 19, 1981; Sri Lanka, Jan. 21, 1981.

Containers

International convention for safe containers (CSC), with annexes. Done at Geneva Dec. 2, 1972. Entered into force Sept. 6, 1977; for the U.S. Jan. 3, 1979. TIAS 9037.
Accession deposited: Luxembourg, Nov. 13, 1980.

Copyright

Universal copyright convention, as revised. Done at Paris July 24, 1971. Entered into force July 10, 1974. TIAS 7868.
Accession deposited: G.D.R., Sept. 10, 1980.¹

Customs

Customs convention on the international transport of goods under cover of TIR carnets, with annexes. Done at Geneva Nov. 14, 1975. Entered into force Mar. 20, 1978.⁵
Accessions deposited: Poland, Dec. 23, 1980; Uruguay, Dec. 24, 1980.

Defense

Memorandum of understanding concerning the EURO-NATO Joint Jet Pilot Training (ENJJPT) Program. Signed at Brussels Dec. 9, 1980. Entered into force Dec. 9, 1980.
Signatures: Belgium, Canada, Denmark, F.R.G., Greece, Italy, Netherlands, Norway, Portugal, Turkey, U.K., and U.S.

Finance—African Development Fund

Agreement establishing the African Development Fund, with schedules. Done at Abidjan Nov. 29, 1972. Entered into force June 30, 1973; for the U.S. Nov. 18, 1976. TIAS 8605.
Accession deposited: Angola, Jan. 9, 1981.

Inter-American Development Bank

Agreement establishing the Inter-American Development Bank, with annexes. Done at Washington Apr. 8, 1959. Entered into force Dec. 30, 1959. TIAS 4397.
Ratification deposited: Suriname, Dec. 12, 1980.

Judicial Procedure

Convention on the service abroad of judicial and extrajudicial documents in civil or commercial matters. Done at The Hague Nov. 15, 1965. Entered into force Feb. 10, 1969. TIAS 6638.
Accession deposited: Seychelles, Nov. 18, 1980.

Maritime Matters

Convention for the unification of certain rules with respect to assistance and salvage at sea. Signed at Brussels Sept. 23, 1910. Entered into force Mar. 1, 1913. 37 Stat. 1658.

Notification that it continues to be bound: Papua New Guinea, Oct. 14, 1980 as from Sept. 16, 1975.

Inter-American convention on facilitation of international waterborne transportation, with annex. Signed at Mar del Plata June 7, 1963.⁴
Accession deposited: Guatemala, Dec. 12, 1980.

Amendments to the convention of Mar. 6, 1948, as amended (TIAS 4044, 6285, 6490, 8606), on the Intergovernmental Maritime Consultative Organization. Adopted at London Nov. 17, 1977.⁴
Acceptance deposited: Panama, Dec. 23, 1980.

Amendments to the convention of Mar. 6, 1948, as amended (TIAS 4044, 6285, 6490, 8606), on the Intergovernmental Maritime Consultative Organization. Adopted at London Nov. 15, 1979.⁴
Acceptances deposited: Belgium, Dec. 23, 1980; Liberia, Jan. 8, 1981.

Meteorology

Convention of the World Meteorological Organization. Done at Washington Oct. 11, 1947. Entered into force Mar. 23, 1950. TIAS 2052.
Accession deposited: Zimbabwe, Jan. 12, 1981.

Narcotic Drugs

Single convention on narcotic drugs. Done at New York Mar. 30, 1954. Entered into force Dec. 13, 1964; for the U.S. June 24, 1967. TIAS 6298.
Accession deposited: Ireland, Dec. 16, 1980.

Protocol amending the single convention on narcotic drugs, 1954. Done at Geneva Mar. 25, 1972. Entered into force Aug. 8, 1975. TIAS 8118.
Accession deposited: Ireland, Dec. 16, 1980.

Patents—Microorganisms

Budapest treaty on the international recognition of the deposit of microorganisms for the purposes of patent procedure, with regulations. Done at Budapest Apr. 28, 1977. Entered into force Aug. 19, 1980. TIAS 9768.
Ratification deposited: Spain, Dec. 19, 1980.

Postal

Additional protocol to the Constitution of the Universal Postal Union with final protocol signed at Vienna July 10, 1964. Done at Tokyo Nov. 14, 1969. Entered into force July 1, 1971, except for Article V of the additional protocol which entered into force Jan. 1, 1971. TIAS 7150.
Ratifications deposited: Czechoslovakia, July 3, 1980; Qatar, Nov. 13, 1980.

Second additional protocol to the Constitution of the Universal Postal Union of July 10, 1964, general regulations with final protocol and annex, and the universal postal convention with final protocol and detailed regulations. Done at Lausanne July 5, 1974. Entered into force

Jan. 1, 1976; for the U.S., Jan. 1, 1976 provisionally; Apr. 1976, definitively. TIAS 8231.
Accession deposited: Guyana, Sept. 19, 1980.
Ratification deposited: Qatar, Nov. 13, 1980.

Money orders and postal travellers' checks agreement, with detailed regulations. Done at Lausanne July 5, 1974. Entered into force Jan. 1, 1976; for the U.S., Jan. 1, 1976, provisionally; Apr. 14, 1976, definitively. TIAS 8232.
Ratification deposited: Qatar, Nov. 13, 1980.

Publications

Statutes of the international center for the registration of serial publications. Done at Paris Nov. 14, 1974, and amended Oct. 11 and 12, 1976. Entered into force Jan. 21, 1976; for the U.S., Mar. 31, 1978 (provisionally).
Accession deposited: Denmark, Nov. 5, 1980.

Racial Discrimination

International convention on the elimination of all forms of racial discrimination. Adopted at New York Dec. 21, 1965. Entered into force Jan. 4, 1969.⁵
Accession deposited: Uganda, Nov. 21, 1980.

Seals

Protocol amending the interim convention of Feb. 9, 1957, as amended and extended (TIAS 3948, 5558, 6744, 8368), on conservation of North Pacific fur seals. Done at Washington Oct. 14, 1980.⁴

Declaration of provisional application deposited: Canada, Jan. 27, 1981.

Space

Convention on international liability for damage caused by space objects. Done at Washington, London, and Moscow Mar. 29, 1972. Entered into force Sept. 1, 1972; for the U.S. Oct. 9, 1973. TIAS 7762.

Succession deposited: Papua New Guinea, Nov. 13, 1980.

Sugar

International sugar agreement, 1977, with annexes. Done at Geneva Oct. 7, 1977. Entered into force provisionally Jan. 1, 1978; definitively Jan. 2, 1980. TIAS 9664.

Notification of withdrawal deposited: Portugal, Oct. 7, 1980; effective Nov. 6, 1980.

Terrorism

Convention on the prevention and punishment of crimes against internationally protected persons, including diplomatic agents. Adopted at New York Dec. 14, 1973. Entered into force Feb. 20, 1977. TIAS 8532.

Accession deposited: Togo, Dec. 30, 1980.

International convention against the taking of hostages. Adopted at New York Dec. 17, 1979.⁴

Ratification deposited: Sweden, Jan. 15, 1981.
Signatures: New Zealand, Dec. 24, 1980; Yugoslavia, Dec. 29, 1980.

Trade

Agreement on technical barriers to trade.

Done at Geneva Apr. 12, 1979. Entered into force Jan. 1, 1980. TIAS 9616.

Acceptance: Romania, Oct. 27, 1980.

Agreement on government procurement. Done at Geneva Apr. 12, 1979. Entered into force Jan. 1, 1981.

Acceptance deposited: U.S., Dec. 30, 1980.

Geneva (1979) protocol to the General Agreement on Tariffs and Trade. Done at Geneva June 30, 1979. Entered into force Jan. 1, 1980. TIAS 9629.

Ratification deposited: F.R.G., Nov. 7, 1980.⁶

Agreement on implementation of article VII of the General Agreement on Tariffs and Trade (customs valuation). Done at Geneva Apr. 12, 1979. Entered into force Jan. 1, 1981.

Acceptances: Argentina, Sept. 30, 1980;^{1,2,7} Yugoslavia, Nov. 3, 1980.⁷

Acceptances deposited: Norway, Oct. 24, 1980; U.S., Dec. 30, 1980.

Ratifications deposited: Finland, Oct. 24, 1980; Sweden, Oct. 1, 1980.

Protocol to the Agreement on implementation of article VII of the General Agreement on Tariffs and Trade. Done at Geneva Nov. 1, 1979. Entered into force Jan. 1, 1981.

Acceptances: Argentina, Sept. 30, 1980;^{1,2,7} Yugoslavia, Nov. 3, 1980.⁷

Acceptances deposited: Norway, Oct. 24, 1980; U.S., Dec. 30, 1980.

Ratifications: Finland, Oct. 24, 1980; Sweden, Oct. 1, 1980.

U.N. Industrial Development Organization

Constitution of the U.N. Industrial Development Organization, with annexes. Adopted at Vienna Apr. 8, 1979.⁴

Ratifications deposited: Bolivia, Egypt, Jan. 9, 1981; Korea, Dec. 30, 1980; Romania, Nov. 28, 1980; Uruguay, Dec. 24, 1980.

Signatures: Bulgaria, Jan. 6, 1981; Czechoslovakia, Nov. 26, 1980; Kuwait, Jan. 7, 1981.

Whaling

International whaling convention and schedule of whaling regulations. Done at Washington Dec. 2, 1946. Entered into force Nov. 10, 1948. TIAS 1849.

Notification of adherence: China, Sept. 24, 1980.¹

Wheat

Protocol modifying and further extending the wheat trade convention (part of the international wheat agreement) 1971 (TIAS 7144). Done at Washington Apr. 25, 1979. Entered into force June 23, 1979, with respect to certain provisions, July 1, 1979, with respect to other provisions. TIAS 9878.

Ratification deposited: Brazil, Jan. 15, 1981.

Food aid convention, 1980 (part of the International Wheat Agreement, 1971, as extended (TIAS 7144, 9878)). Done at Washington Mar. 11, 1980. Entered into force provisionally for the U.S. July 1, 1980; definitively Nov. 11, 1980.

Ratification deposited: Finland, Dec. 31, 1980.

Women

Convention on the elimination of all forms of discrimination against women. Adopted at New York Dec. 18, 1979.⁴

Signature: Jordan, Dec. 3, 1980.

World Heritage

Convention concerning the protection of the world cultural and natural heritage. Done at Paris Nov. 23, 1972. Entered into force Dec. 17, 1975. TIAS 8226.

Acceptances deposited: Portugal, Sept. 30, 1980; Democratic Yemen, Oct. 7, 1980.

BILATERAL

Algeria

Agreement extending the agreement of May 22, 1980, (TIAS 9780) for mutual assistance in connection with the investigation of activities of International Systems and Controls Corporation and International Telephone and Telegraph Company, their affiliates and subsidiaries, to include Inforex, Inc., and its subsidiaries and affiliates. Effected by exchange of letters at Washington Dec. 18, 1980. Entered into force Dec. 18, 1980.

Australia

Agreement concerning peaceful uses of nuclear energy, with annex and agreed minute. Signed at Canberra July 5, 1979. Entered into force: Jan. 16, 1981.

Agreement for cooperation concerning civil uses of atomic energy, as amended (TIAS 3820, 4687, 6250). Signed at Washington Jun. 22, 1956. Entered into force May 28, 1957. Terminated: Jan. 16, 1981.

Botswana

Agreement concerning the establishment and operation of a space vehicle communications facility in connection with the space shuttle. Effected by exchange of notes at Houston D. 4, 1980. Entered into force Dec. 4, 1980.

Brazil

Interim agreement on salted cattlehides, manufactured leather products, and other trade matters, with record of discussion. Signed at Brasilia Mar. 14, 1980. Entered into force Apr. 17, 1980. Terminated: Oct. 1, 1980.

Canada

Agreement relating to coordination between the U.S. and Canadian Coast Guards of ice-breaking operations in the Great Lakes and St. Lawrence Seaway system. Effected by exchange of notes at Ottawa Oct. 28 and Dec. 5, 1980. Entered into force Dec. 5, 1980.

Agreement extending the agreement of Mar. 29, 1977, (TIAS 8560) relating to the establishment of an experimental Loran-C power chain in the vicinity of the St. Marys River, Ontario and Michigan. Effected by exchange of notes at Ottawa Oct. 28 and Dec. 5, 1980. Entered into force Dec. 5, 1980.

Colombia

Agreement for cooperation concerning civil

CHRONOLOGY

January 1981

January 4

In El Salvador, two Americans, working as advisers to the Government of El Salvador, are slain.

January 7

In Geneva, U.N. Conference on Namibia convenes. The conference stems from a diplomatic initiative begun more than 3 years ago by the United States, Britain, France, West Germany, and Canada which undertook to seek an internationally acceptable resolution on the status of Namibia.

January 14

U.S. resumes military assistance to El

Salvador which was temporarily suspended on Dec. 5, 1980.*

January 15

Efforts to obtain an agreement on a date for a ceasefire in Namibia come to an inconclusive end.

Stephen M. Schwebel, State Department Deputy Legal Adviser, is elected by the U.N. General Assembly to the International Court of Justice.

January 17

Philippines President Ferdinand E. Marcos lifts martial law which he declared 8 years ago.

U.S. announces provision to El Salvador of \$5 million in emergency military equipment including arms and ammunition and services under section 506A of the Foreign Assistance Act.

ama. Effected by exchange of notes at Panama Dec. 30, 1980. Entered into force Dec. 30, 1980.

Singapore

Agreement amending the agreement of Sept. 21 and 22, 1978 (TIAS 9214), as amended, relating to trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of letters at Washington Nov. 24 and Dec. 12, 1980. Entered into force Dec. 12, 1980.

Turkey

Treaty on extradition and mutual assistance in criminal matters. Signed at Ankara June 7, 1979. Entered into force Jan. 1, 1981. Proclaimed by the President: Dec. 31, 1980.

Treaty on the enforcement of penal judgments. Signed at Ankara June 7, 1979. Entered into force Jan. 1, 1981. Proclaimed by the President: Dec. 31, 1980.

Turks and Caicos Islands

Agreement relating to the establishment of a Peace Corps program in the Turks and Caicos Islands. Effected by exchange of letters at Washington Apr. 17 and Dec. 5, 1980. Entered into force Dec. 5, 1980.

Venezuela

Maritime boundary treaty. Signed at Caracas Mar. 28, 1978. Entered into force Nov. 24, 1980. Proclaimed by the President: Jan. 3, 1981.

¹ With declaration.

² With reservation(s).

³ With statement.

⁴ Not in force.

⁵ Not in force for the U.S.

⁶ Applicable to Berlin (West).

⁷ Subject to approval or ratification.

⁸ With understandings. ■

of nuclear energy, with annex and exchange of notes. Signed at Bogota Jan. 8, 1981. Entered into force on the date of receipt of letters with written notification that each party has complied with its applicable requirements for entry into force.

Agreement for sales of agricultural commodities, relating to the agreement of June 7, 1977, (TIAS 7855) with agreed minutes. Signed at Cairo Dec. 14, 1980. Entered into force Dec. 14, 1980.

German Democratic Republic
Popular convention, with exchange of notes. Signed at Berlin Sept. 4, 1979. Instruments of ratification exchanged: Jan. 9, 1981.

Entered into force: Feb. 19, 1981.

Agreement amending the agreement of Sept. 8, 1980, as amended, relating to fertilizer production. Signed Dec. 15, 1980.

Indonesia
Agreement for sales of agricultural commodities, with agreed minutes. Signed at Jakarta Dec. 2, 1980. Entered into force Dec. 1, 1980.

International Atomic Energy Agency
Agreement for the application of safeguards to U.S., with protocol. Signed at Vienna Nov. 18, 1977. Entered into force Dec. 9, 1980. Proclaimed by the President: Dec. 31, 1980.⁸

Agreement to support the economic and political stability of Israel by providing a grant in the amount of \$395,000,000. Signed at Washington Dec. 3, 1980. Entered into force Dec. 3, 1980.

Agreement relating to space shuttle contingency landing sites. Effected by exchange of notes at Tokyo Jan. 28, 1980. Entered into force Jan. 28, 1980.

Agreement relating to space launch assistance, with exchange of letters. Effected by exchange of notes at Washington Dec. 3, 1980. Entered into force Dec. 3, 1980.

Agreement relating to government procurement in the field of telecommunications, with amendment. Effected by exchange of letters at Washington Dec. 19, 1980. Entered into force Dec. 19, 1980; effective Jan. 1, 1981.

Agreement for sales of agricultural commodities, relating to the agreement of Aug. 30 (TIAS 9841). Signed at Monrovia Jan. 31, 1981. Entered into force Jan. 8, 1981.

Agreement for sales of agricultural commodities, with agreed minutes. Signed at Nairobi Dec. 30, 1980. Entered into force Dec. 30, 1980.

Mexico

Agreement amending the agreement of July 25, 1980, (TIAS 9822) relating to additional cooperative arrangements to curb the illegal traffic in narcotics. Effected by exchange of letters at Mexico Dec. 2, 1980. Entered into force Dec. 2, 1980.

Minute 264 of the International Boundary and Water Commission: Recommendations for solution of the New River border sanitation problem at Calexico, California, Mexico, Baja California Norte. Signed at Ciudad Juarez Aug. 26, 1980. Entered into force Dec. 4, 1980.

Agreement concerning fisheries off the coasts of the U.S. Signed at Washington Aug. 26, 1977. Entered into force Dec. 29, 1977. TIAS 8852.

Notice of termination: Mexico, Dec. 29, 1980; effective June 29, 1981.

Fisheries agreement, with exchange of notes. Signed at Mexico Nov. 24, 1976. Entered into force Nov. 24, 1976. TIAS 8853. Notice of termination: Mexico, Dec. 29, 1980; effective Dec. 29, 1980.

Netherlands

Memorandum of understanding between the U.S. and the Netherlands relating to cooperation in the field of environmental protection. Signed at Leidschendam Nov. 25, 1980. Entered into force Nov. 25, 1980.

Norway

Memorandum of understanding governing prestockage and reinforcement of Norway. Signed at Washington Jan. 16, 1981. Entered into force Jan. 16, 1981.

Panama

Agreement concerning the transfer of the Gamboa Penitentiary from the U.S. to Pan-

PRESS RELEASES

January 20

Ronald W. Reagan is inaugurated 40th President of the United States.

January 22

Alexander M. Haig, Jr., is sworn in as the 59th Secretary of State.

January 24

South Korean President Chun Doo Hwan lifts martial law imposed after the assassination of President Park Chung Hee in October of 1979.

January 27

Jamaican Prime Minister Edward Seaga makes official visit to Washington, D.C., Jan. 27-29.

January 28

South Korean President Chun Doo Hwan visits U.S., Jan. 28-Feb. 6, and makes official visit to Washington, D.C., Feb. 1-3.

January 29

Spanish Prime Minister Adolfo Suarez resigns.

January 30

Deputy Prime Minister of Spain, Leopoldo Calvo Sotelo, is designated successor to Prime Minister Suarez.

*U.S. resumed economic aid to El Salvador on Dec. 17, 1980. ■

Department of State

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20502.

No.	Date	Subject
1	1/2	U.S.-Thai Antipiracy Program.
2	1/7	Muskie: interview on the "MacNeil/Lehrer Report," Public Broadcasting Service.
*3	1/7	U.S., Singapore establish textile visa system, Oct. 20, 1980.
*4	1/8	U.S., Malaysia establish administrative arrangement under terms of bilateral textile agreement, Oct. 29 and 31, 1980.
*5	1/8	U.S., Mexico amend bilateral textile agreement, Nov. 13 and 17, and Dec. 11, 1980.
*6	1/8	U.S., Singapore amend textile agreement, Nov. 24 and Dec. 12, 1980.
*7	1/8	Dept. of State and Dept. of Commerce determine foreign fishing allocations for 1981.
*8	1/9	Muskie: interview by Andrea Stroud of CCN.
*9	1/9	Muskie: remarks at funeral services for Michael P. Hammer, Ft. Myer, Va.
*10	1/14	Muskie: address before a joint session of the Maine legislature, Augusta.
*11	1/15	Muskie: address at Colby College, Waterville, Maine, Jan. 14.
12	1/15	Muskie: statement at the National Theater.
*12A	1/15	Muskie: question-and-answer session following statement at National Theater.
13	1/16	Stephen M. Schwebel elected to International Court of Justice.
14	1/16	U.S., Mexico sign Convention on the Recovery and Return of Stolen Vehicles and Aircraft.
*15	1/21	International Radio Consultative Committee (CCIR), study group 5, Feb. 10.
*16	1/21	Shipping Coordinating Committee (SCC), subcommittee on safety of life at sea (SOLAS), working group on the carriage of dangerous goods, Feb. 10.

*17	1/22	Haig: statement to employees.
18	1/23	International effort for Khmer relief.
*19	1/26	U.S. Organization for the International Telegraph and Telephone Consultative Committee (CCIT) study group D, Feb. 12.
*20	1/27	Program for Jamaican Prime Minister Seaga's official visit to Washington, D.C., Jan. 27-29, 1981.
*21	1/27	U.S., Norway sign new fisheries agreement, J. 26.
*22	1/28	CCIR, study group 5, Mar. 3.
*23	1/28	Advisory Committee on International Investment, Technology, and Development, Feb. 11.
*24	1/28	U.S., Yugoslavia extend textile agreement, Jul. 15, 1980, and Sept. 12, 1980.
25	1/28	Haig: news conference.
*26	1/30	U.S., Hong Kong establish specified limits on seven textile categories.
*27	1/30	Program for Korean President Chun's official visit to Washington, D.C., Feb. 1-3.

*Not printed in the BULLETIN. ■

U.S.U.N.

Press releases may be obtained from the Public Affairs Office, U.S. Mission to the United Nations, 799 United Nations Plaza, New York, N.Y. 10017.

No.	Date	Subject
*107	10/13	Spero: operational activities for development, Committee II.
*108	10/12	McHenry: bombing of Turkish mission to the U.N.
*109	10/13	McHenry: credentials of representative of Kampuchea, UNGA.

10/15	Haft: right of reply, Committee III, Oct. 14.	*132	11/3	Atkins: International Youth Year, cultural values, problems of the elderly, International Year of Disabled Persons, policies and programs relating to youth, Committee III.	*152	11/21	Petree: Golan Heights, Special Political Committee.
10/16	Vanden Heuvel: Kampuchea, UNGA.				*153	11/28	Petree: refugees, Special Political Committee.
10/17	Spero: training and research, Committee II, Oct. 16.				*154	12/4	Atkins: El Salvador, Committee III, Dec. 3.
10/17	McHenry: situation between Iran and Iraq, Security Council.	*133	11/5	U.S. signs common fund agreement.	*155	12/4	Shestack: Bolivia, Committee III, Dec. 3.
10/20	Petree: UNRWA, Special Political Committee, Oct. 17.	*134	11/5	Spero: UNDRO and special assistance programs, Committee II.	*156	12/4	Flood: Chile, Committee III, Dec. 3.
10/21	McCall: American Samoa, Guam, and U.S. Virgin Islands, Committee IV.	*135	11/5	Petree: peacekeeping, Special Political Committee.	*157	12/4	McHenry: Security Council membership, UNGA.
10/21	Haft: right of reply, Committee III.	*136	11/5	U.S. contributes \$250,000 to the U.N. World Assembly on the Elderly.	*158	12/5	Cardwell: drug abuse control, Committee II, Dec. 4.
10/22	Ambassador McHenry presents a check to New York City Mayor Koch for \$3.1 million for providing protection to diplomatic missions and personnel assigned to the U.N.	*137	11/6	Petree: IAEA, UNGA.	*159	12/5	Shestack: totalitarian ideologies, UNGA.
		*138	11/6	Spero: U.N. Decade for Women, Committee III.	*160	12/9	Davison: crime prevention and control, Committee III, Dec. 5.
		*139	11/10	Ehrlich: International Drinking Water Supply and Sanitation Decade, UNGA.	*161	12/9	Petree: information, Special Political Committee.
10/23	McHenry: situation between Iran and Iraq, Security Council.	*140	11/11	Spero: refugees, Committee III.	*162	12/9	U.S. Mission to the U.N. commemorates genocide convention anniversary with unveiling of the Raphael Lemkin bust.
10/24	Petree: outer space, Special Political Committee.	*141	11/12	Spero: international development strategy, Committee II.	*163	12/10	Loy: relief to Kampuchean people, donors meeting.
10/24	Horbal: women, Committee III.	*142	11/12	McHenry: statement on the death of ICJ Judge Richard R. Baxter, Security Council.	*164	12/11	Newsom: decolonization resolutions, UNGA.
10/28	Spero: development and international economic cooperation, Committee II.	*143	11/13	Shestack: human rights, Committee III.	*165	12/12	Petree: West Bank mayors, Security Council, Dec. 11.
		*144	11/13	McHenry: apartheid, UNGA.	*166	12/15	Petree: Palestine, UNGA.
10/29	McCall: narcotics, roundtable discussion held at USUN.	*145	11/14	Petree: UNHCR pledging conference.	*167	12/16	Newsom: apartheid, UNGA.
10/30	Vanden Heuvel: disarmament, Committee I.	*146	11/14	Atkins: refugees in Africa, UNGA.	*168	12/16	Atkins: El Salvador, UNGA.
		*147	11/17	Petree: information, Special Political Committee.	*169	12/17	McHenry: news conference.
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11/3	McHenry: address in Chicago on the "Challenge of the 1980s," Oct. 29.	150	11/19	McHenry: Afghanistan, UNGA.			
		*151	11/20	Morgenthau: social development, Committee III.			
11/3	McHenry: address in Cleveland on the "U.N.'s 35th Anniversary," Oct. 24.						
11/3	McHenry: address in Los Angeles on refugees, Oct. 30.						
11/3	McHenry: address in Los Angeles on the "New Nationalism," Oct. 31.						
11/3	Shestack: elimination of all forms of religious intolerance, Committee III.						

*Not printed in the BULLETIN. ■

Department of State

Free, single copies of the following Department of State publications are available from the Public Information Service, Bureau of Public Affairs, Department of State, Washington, D.C. 20520.

Secretary Haig

Opening statement at confirmation hearings before Senate Foreign Relations Committee, Jan. 9, 1981 (Current Policy #257).
News conference, Jan. 28, 1981 (Current Policy #258).

East Asia

Two Years of U.S.-China Relations, January 1, 1979-December 29, 1980 (BULLETIN Reprint).
Indochinese Refugees (GIST, Nov. 1980).

Economics

Trade Patterns of the West—1979 (Special Report #74).
Indicators of East-West Economic Strength—1979 (Special Report #75).
Trade of NATO and Communist Countries—1976-1979 (Special Report #76).
Foreign Investment in the United States (GIST, Dec. 1980).

Europe

The Baltic Republics: U.S. Policy (GIST, Feb. 1981).
Madrid CSCE Followup Meeting (GIST, Jan. 1981).

Department of State Bicentennial

A Short History of the U.S. Department of State, 1781-1981 (BULLETIN Reprint).
Bicentennial Note #1: Department of State Completes 200 Years (Dec. 1980).
Bicentennial Note #2: The Department of State Today (Dec. 1980).
Bicentennial Note #3: Bicentennial Reception and Awards Ceremony (Jan. 1981). ■

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1980 Edition of *Status of the World's Nations* Released

The Office of The Geographer, Bureau of Intelligence and Research, has released the 1980 edition of *Status of the World's Nations*, Department of State publication 8735. This biennial publication contains an up-to-date official listing of the world's nations, dependencies, and areas of special sovereignty including official country name, capital, population, and area. The text includes a survey and a checklist of newly independent nations. Countries are shown on a 40½- by 22¼-inch, full-color map.

Status of the World's Nations is on sale for \$1.75 by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402. Copies also are sold at the GPO Bookstore in the Department of State, Room 2817, North Lobby, 21st and C Sts. NW, Washington, D.C. 20520.

Press release 331 of Nov. 26, 1980. ■

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*Department
of State*
bulletin

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Department of State bulletin

Volume 81 / Number 2049 / April 1981

Cover Photo:
The Peace Tower of Canada's
Parliament building where President
Reagan is welcomed
by Prime Minister Trudeau.

(White House photo by Michael Evans)

The DEPARTMENT OF STATE BULLETIN , published by the Office of Public Communication in the Bureau of Public Affairs, is the official record of U.S. foreign policy. Its purpose is to provide the public, the Congress, and government agencies with information on developments in U.S. foreign relations and the work of the Department of State and the Foreign Service.

The BULLETIN'S contents include major addresses and news conferences of the President and the Secretary of State; statements made before congressional committees by the Secretary and other senior State Department officials; special features and articles on international affairs; selected press releases issued by the White House, the Department, and the U.S. Mission to the United Nations; and treaties and other agreements to which the United States is or may become a party.

The Secretary of State has determined that the publication of this periodical is necessary in the transaction of the public business required by law of this Department. Use of funds for printing this periodical has been approved by the Director of the Office of Management and Budget through January 31, 1986.

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For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402
Price: 12 issues plus annual index—
\$19.00 (domestic) \$23.75 (foreign)
Single copy— \$3.25 (domestic) \$4.10 (foreign)
Index, single copy— \$2.25 (domestic) \$2.85 (for

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MAY - 7 1981

DEPOSITORY



(White House photo by Michael Evans)

The Royal Canadian Mounted Police.



Mrs. Reagan signs the distinguished guest book at the Canadian Forces Base. Behind her are Governor General and Mrs. Schreyer, President Reagan, and Col. Ron Bell, base commander. (White House photo by Michael Evans)



Prime Minister Trudeau escorts President and Mrs. Reagan at the National Arts Centre. (White House photo by Karl H. Schumacher)



President Reagan and Governor General Schreyer at the state dinner at Rideau Hall. (White House photo by Michael Evans)

President Reagan Visits Canada

President Reagan made a state visit to Ottawa March 10-11, 1981. Following remarks made at the welcoming ceremony March 10, the President's address before a joint session of the Canadian Parliament on March 11, and remarks made to reporters on March 11.¹

WELCOMING CEREMONY²

Mayor General Schreyer

With great pleasure and warmth of heart that we greet you and Mrs. Reagan on behalf of the people of Canada.

You come to us representing the country that is both our nearest neighbor and also which the history of this century has made our closest ally. Through the long years of our association, Canada and the United States of America have met and overcome many challenges and problems together. We believe, we have acted effectively as partners, confident that our differences can be resolved by our combined efforts that much more effectively.

Now, in a period of uncertainty in the world, Canada remains committed to working with the United States to further the fundamental ideals and values of freedom and of equality before the law which we both share.

I am confident that your visit to Canada will serve to strengthen the firm personal ties of friendship and practical cooperation which exists firmly and organically between our two countries. Therefore, I hope that beyond the ceremonial formal aspects of state occasions that you will also encounter something of the human, kindred dimension which gives relations between Canada and the United States, and as between millions of individual Americans and Canadians, their deeper meaning and their unique character.

Monsieur le Président, au nom de tous les Canadiens, je vous souhaite la bienvenue dans notre pays qui, comme le vôtre, compte parmi ces citoyens des personnes de souche ethnique et linguistique variée. [Mr. President, on behalf of all Canadians, I welcome you to a country which, as yours, has

among its citizens people of multiple and diverse ethnic and linguistic origins.]

If this is the era of the global village, then welcome to the house next door; welcome to Canada.

President Reagan

Nancy and I are happy to be here. One can receive no warmer greeting than the heartfelt welcome of a trusted friend. And yes, we, the people of the United States and of Canada are more than good neighbors; we're good friends. We citizens of North America, while respecting the sovereignty and independence of our respective national identities, are without question friends that can be counted upon. Whether in times of trial and insecurity or in times of peace and commerce, our relationship has never weakened. The faith between us has never wavered.

We each play a separate and important role in international affairs. We have economic interests that bind us in cooperation and, in some cases, put us into competition. But these separate roles are respected by our two peoples and have never diminished the harmony between us.

I hope this visit will make clear my commitment as President of the United States to work in close cooperation with the Government of Canada. Whether in trade or defense or protection of our environment and natural resources, our two nations shall continue the unique relationship that has been the envy of the world, a relationship that has enhanced the standard of living and the freedom of our people. Let us continue and let us move forward.

It is a great pleasure to be here with you. *Merçi.*

ADDRESS BEFORE PARLIAMENT³

Prime Minister Trudeau

Yesterday I welcomed you to Canada. I repeat that welcome now because in this chamber Canada's democracy finds its ultimate expression. Here in a special way, we speak on behalf of the people of Canada. And here, the people of Canada are honored to receive you.

Nations do not choose their neighbors; geography does that. The sense of neighborhood, however, is more than a product of geography; it is a creation of people who may live as far apart as California and Quebec. It is what makes neighbors of Canada and Mexico, for instance. Canadians have noted this sense in you, Mr. President, and they know that it gives a particular meaning to your visit to Ottawa.

[*In French:*] Our neighborhood is not only a place but a state of mind, not only North America but the New World. We share the dreams that have made this continent a beacon, a hope, and a haven for people everywhere. We share the courage and joy in hard work that enabled us to build two great federal states side by side, from our first landfalls on the Atlantic to our last frontiers on the Pacific. We cherish what we have made. We are determined to preserve it, but at the same time we have been glad to admit others to the bounty and freedom we have found here.

[*In English:*] It is right that we should celebrate what we hold in common. At the same time, it is necessary that we remember and respect what makes us different. More than 200 years ago our paths diverged although our goals remained the same. You created a great republic with a presidential system. We evolved as a constitutional monarchy under a parliamentary system. You placed yourselves from the outset under a written constitution that you continue to revere today. We are only now finishing the work of writing ours and bringing it home. You fought a

tragic civil war. We have recently undergone the experience of a referendum that involved no violence but, nonetheless, touched the very fiber of this country. The differences of history affect our relations today because they affect our perceptions, our approaches, our priorities.

You would perhaps agree with Thoreau where he says of the U.S. Government, and I quote: "... this government of itself never furthered any enterprise, but by the alacrity with which it got out of its way. It does not settle the West. It does not educate. The character inherent in the American people has done all that has been accomplished. . . ."

The character of the Canadian people has also made Canada. But here in Canada, our own realities have sometimes made it necessary for governments to "further enterprise." Those realities and that necessity are still with us today.

[*In French:*] You have come to Canada at a busy moment in our history. We are still engaged in the task of nationmaking. As an American you will understand the challenge before us. We are seeking to perfect our democracy and strengthen our unity. Sometimes, the noise we make will reach your ears. I can assure you, however, that out of the tumult and heat of creation we are forging a stronger Canada. To borrow someone's definition of a megalopolis, we are determined that we will not emerge from our present debate as a "loose confederation of shopping centers."

In the years ahead, the United States will face a dynamic neighbor to the north. As we put our house in order, we in Canada will grow in self-confidence. We will see our interests more clearly and pursue them more vigorously. What will not change, however, is our deep friendship with the United States. Indeed, the relationship between our two countries will grow as Canada grows. Certainly, we will have some lively discussions over the back fence. But we have always spoken plainly to each other—plainly but with mutual respect, because that is the way sovereign equals and close friends should speak to each other.

[*In English:*] You take on your awesome responsibilities at a time of stress and crisis in international affairs. The world badly needs the courage and



(White House photo by Michael Evans)

Mrs. Reagan and Mrs. Schreyer during welcoming ceremonies at the Canadian Forces Base (Ottawa).

wisdom of the United States—that courage that it can provide under your leadership. I speak for all Canadians when I say we are ready to work with you in the cause of stability, security, and humanity.

Your task—our joint task—will not be an easy one. Many people fear that the world has become too complicated, that events have spiraled beyond the control of individuals or governments. They're tempted to give up, to opt out, and to hide from reality and responsibility. That way lies oblivion.

I believe that we must neither cower before reality nor oversimplify it. Yet complexity should not obscure plain truth. On this most favored of continents, we cannot simply turn our gaze inward and ignore poverty, ignorance, and injustice elsewhere.

To the East, we face a system that seems ill-designed to respond to change and growth. Nevertheless, the Soviet Union and the Eastern European states may come to accommodate themselves at least to the dynamics of their own region. If, for example, the Polish people are able to work out their own destiny within a framework accepted by their

neighbors, then they will have matched revolution with a no less remarkable evolution. Through courage and restraint, they will have begun the process of making their reality more Polish and their system more responsive, more adaptable, and, ultimately, more stable.

In the West, we have a long familiarity with the pressures of change. In the past decade our economies have undergone a severe test, as trusted assumptions have been found wanting. In the 1970s we were buffeted by the shock of rapid energy price increases. We were forced to recognize that the monopoly of economic power was coming to an end. And yet for all the strain upon us, our political and economic framework has survived—survived at least as well as the chicken and the egg to which Winston Churchill once referred in this chamber.

Each of the Western countries has met the challenge of change in its own way. Since all of us have our own distinctive economic strengths and weaknesses, our solutions have had to be diverse. We have found no simple answers. We've fashioned no single formula. With cooperation and consultation,

er, we've been able to complement various approaches.

At another level, though, we do have one approach. Let there be no doubt of our unity in the defense of our precious heritage—that democracy is envied by those who rightly reject and feared by those who wrong its force.

As to North and South, we are not misled by the complexity of the problem. The poverty of the developing countries does not have to be permanent, nor is it unalloyed. The gap between the two groups is neither racial nor unbridgeable. In the growth of the producing states, in the vigor of the newly industrialized countries, there is striking evidence of the dynamism and potential of the developing world. In the heart of the South there's not so much an identity of circumstances as an affinity of view, a shared sense of justice. The poorer peoples are at the mercy of circumstances that leave them in a state of imbalance, often out of hope, and often vulnerable to opportunists who are preying in troubled waters. The industrialized democracies have not only a moral duty but a strategic obligation to help developing countries in their development, their survival, and their success.

Humanity will prevail. We in the free world can never be pessimists, for we are in a very real sense, the custodians of the future. You have reminded me of this on both sides of the 49th parallel. You've done so by evoking a vision in which both our peoples have been architects of change, not its victims. I wish you well in your task and in your burden. May part of your comfort come from the assurance of our abiding friendship for your country and for your people.

President Reagan

At the time of this great capital of this great country crossing a border not which divides but a border which joins us. *Nous nous sommes souvent serré la main sur dessus cette frontière et nous le faisons une fois encore aujourd'hui.* For me, my own party who accompanied me. I have said we've often shaken hands across this border and we're doing so again today.

Nancy and I have arrived for this, my first state visit of my Presidency, in a spirit expressed so well by a Calgary newspaper publisher some 60 years ago.

He said: "The difference between a friend and an acquaintance is that a friend helps where an acquaintance merely advises." [Laughter] We come here not to advise, not to lecture; we are here to listen and to work with you. We're here as friends, not as acquaintances.

Some years ago, Nancy and I both belonged to a very honorable profession in California. And as I prepared for these remarks today, I learned that among those in the motion picture industry in Hollywood, it has been estimated that perhaps as many as one out of five are of Canadian origin. Many of those whom I counted as close professional colleagues and, indeed, close personal friends, did not come from America's heartland as I did, but from the heart of Canada, as did most of you in this historic chamber. Art Linkletter, Glenn Ford, Raymond Massey, Walter Pidgeon, Raymond Burr are but a few of your countrymen who are celebrated in our entertainment industry.

I believe I know the very special relationship between Canada and the United States, but with all respect to those few that I have mentioned, I can do better than that. A young lady once came to Hollywood from Toronto, and before long little Gladys Smith was embraced by our entire nation. Gladys Smith of Toronto became Mary Pickford. And I know that you'll forgive us for adopting her so thoroughly that she became known the world over as "America's sweetheart." [Laughter] But "America's sweetheart" was Canadian. [Laughter]

Affinity, heritage, common borders, mutual interests—these have all built the foundation for our strong bilateral relationship. This relationship has grown to include some of the strongest economic links among the nations of this Earth. Some 16% of America's total world trade is done with Canada. Our joint trade amounts to about 90 billion Canadian dollars annually. This is greater than the gross national product of some 150 countries. It's estimated that three-quarters of a million U.S. workers are employed in exports to Canada, and, in turn, Canadian exports to the United States account for one-sixth of your gross national product. Not only is the vast bulk of this trade conducted between private traders in two free economic systems, but more than half crosses our borders duty-free. Our seaways, highways, airways, and rails

are the arteries of a massive, interconnecting trade network which has been critically important to both of us.

Thus, while America counts many friends across the globe, surely we have no better friend than Canada. And though we share bilateral interests with countries throughout the world, none exceeds the economic, cultural, and security interests that we share with you.

These strong and significant mutual interests are among the reasons for my visit here. Already, I have shared with Prime Minister Trudeau very helpful discussions across a range of issues—to listen and to insure that these important ties shall not loosen.

I'm happy to say that in the recent past we've made progress on matters of great mutual importance. Our governments have already discussed one of the largest joint private projects ever undertaken by two nations—the pipeline to bring Alaskan gas to the continental United States. We strongly favor prompt completion of this project based on private funds.

We have agreed to an historic liberalization of our trade in the Tokyo Round of the multilateral trade negotiations. We've continued our efforts, begun with the Great Lakes Water Quality Agreement of 1972, to protect our joint heritage in the Great Lakes. We want to continue to work cooperatively to understand and control the air and water pollution that respects no borders.

During my visit here, I've had the pleasure of participating in the conclusion of two other important agreements. We are renewing the North American Aerospace Defense Command Agreement for 5 more years. For more than two decades now, NORAD has bound us together in our common defense with an integrated command structure symbolizing our interdependence. This agreement represents continued progress in our relations and mutual security.

And second, we have concluded an agreement regarding social security benefits between those of our citizens who combine work in both nations. And with this new agreement, these people who are employed in both countries, they can then be eligible for the combined benefits. And the workers will be eligible for those benefits in whichever country they choose to live.

Our deep and longtime bilateral economic interests lead me to depart from the norm today and to give to you a report on America's progress toward economic recovery.

Five weeks ago, I reported to the American people that the U.S. economy faced the worst economic mess since the great worldwide depression. We're a proud people, but we're also realists. The time has come for us to face up to what I described as a potential economic calamity.

I raise this issue today because America holds a genuine belief in its obligation to consult with its friends and neighbors. The economic actions that we take affect not just us alone but the relationships across our borders as well.

As we examined America's economic illness, we isolated a number of contributing factors. Our Federal Government has grown explosively in a very short period of time. We found that there had grown up a maze of stifling regulations which began to crush initiative and deaden the dynamic industrial innovation which brought us to where we are. We saw unbelievable deficits—this year alone reaching up to nearly \$80 billion, including off-budget items. And we found that these deficits got in no one's way, because the government found it easy to fuel inflation by printing more money just to make up the difference.

The American taxing structure, the purpose of which was to serve the people, began instead to serve the insatiable appetite of government. If you will forgive me, you know someone has once likened government to a baby. It is an alimentary canal with an appetite at one end and no sense of responsibility at the other. [Laughter] But our citizens were being thrown into higher tax brackets for simply trying to keep pace with inflation. In just the last 5 years, Federal personal taxes for the average American household have increased 58%. The results: crippling inflation, interest rates which went above 20%, a national debt approaching a trillion dollars, nearly 8 million people out of work, and a steady 3-year decline in productivity.

We decided not just to complain but to act. In a series of messages and actions, we have begun the slow process of stopping the assault on the American economy and returning to the strong and steady prosperity that we once enjoyed. It's very important for us to have

friends and partners know and understand what we're doing. Let me be blunt and honest. The United States in the last few years has not been as solid and stable an ally and trading partner as it should be. How can we expect certain things of our friends if we don't have our own house in order?

Americans are uniting now as they always have in times of adversity. I have found there is a wellspring of spirit and faith in my country which will drive us forward to gain control of our lives and restore strength and vitality to our economic system. But we act not just for ourselves but to enhance our relationships with those we respect.

First, we're taking near revolutionary steps to cut back the growth in Federal spending in the United States. We're proposing that instead of having our national budget grow at the unacceptable rate of 14% per year, it should rise at a more sensible 6%. This enables us to maintain the kind of growth we need to protect those in our society who are truly dependent on government services.

Just yesterday, I submitted our proposed budget for the coming year—and then immediately crossed the border. [Laughter]

With extraordinary effort, we've isolated some 83 items for major savings and hundreds more for smaller savings, which together amount to \$48.6 billion in the coming fiscal year. Our second proposal is a 10% cut across-the-board every year for 3 years in the tax rates for all individual income taxpayers, making a total cut in tax rates of 30%. This will leave our taxpayers with \$500 billion more in their pockets over the next 5 years and create dramatic new incentives to boost productivity and fight inflation. When these personal cuts are combined with tax cuts to provide our business and industry with new capital for innovation and growth, we will be creating millions of new jobs, many of them ultimately on your side of the border.

Our third proposal is to eliminate those unproductive and unnecessary regulations which have slowed down our growth and added to our inflationary burdens. We shall do this with care, while still safeguarding the health and safety of the American people and, I might add, while mindful of our responsibility to have equal regard for the health and safety of our neighbors.

Finally, we'll be working closely our Federal Reserve System to achieve stable and moderate growth pattern our money supply.

As I said, America's program for economic recovery is designed not only to solve an internal problem; it is viewed by my Administration as part of an essential effort to restore the confidence of our friends and allies in what we're doing. When we gain control of our inflation, we can once again contribute more helpfully to the health of the world economy. We believe that confidence will rise, interest rates will decline, and investment will increase. If our inflation is reduced, your citizen and other world citizens will have to report less inflation from us.

As we begin to expand our economy once again and as our people begin to keep more control of their own money, we'll be better trading partners. Our growth will help fuel the steady prosperity of our friends. The control we restore over our tax and regulatory structure will have the effect of restoring steady growth in U.S. productivity. Our goods will go into markets not laden down with the drag of regulatory baggage and punitive levies but with a competitive edge that helps us and those who trade with us.

Such new, sustained prosperity in this era of reduced inflation will also serve worldwide to help all of us resist protectionist impulses. We want open markets. We want to promote lower costs globally. We want to increase living standards throughout the world. And that's why we're working so hard to bring about this economic renewal.

There are, of course, other very important reasons for us to restore our economic vitality. Beyond our shores and across this troubled globe, the word of the United States and its actions must remain stable and dependable regardless of our having a stable and dependable economy. Projecting solid national strengths is essential to the West's ability to maintain peace and security in the world. Thus, our national interests, our bilateral interests, and our hemispheric interests are profoundly involved in truly international questions. That's why we must act now, why we can no longer be complacent about the consequences of economic deterioration. We've entered an era which commands the alliance to restore its leadership in the world. And before we can be strong in the world, we must be once again strong at home.

our friend, our ally, our partner, our neighbor, Canada, and the United States have always worked together to build a world with peace and freedom, a world of freedom and dignity for all people.

With our other friends, we must continue with great spirit and commitment on our path toward unity and strength. On this side of the Atlantic, we must stand together for the integrity of our continent, for the inviolability of its borders, for its defense against imported threats, and for the rights of all our people to be free from the provocations and pressures from outside our sphere of interest for different purposes. Across the oceans, we stand together against the unacceptable Soviet invasion into Afghanistan and against continued Soviet adventures across the Earth. And toward the oppressed and dispirited people of all nations, we stand together as friends ready to extend a helping hand.

And to you, our Canadian friends, I call all nations which will stand with us in the cause of freedom: Our mission is more than simply making do in an unstable world. Our mission is what it has always been—to lift the world's dreams beyond the short limits of our sights and beyond the far edges of our best hopes.

There will not be an era of losing liberty. There shall be one of gaining it. This shall be an era of economic pessimism, of restraint, and retrenchment; it shall be an era of restoration, growth, and new opportunities for all men and women. And we will not be here merely to survive, we will be here, in William Shakespeare's words, to prevail, to regain our liberty and our mutual honor.

Sometimes it seems that because of our comfortable relationship, we dwell on a bit too much on our differences. I, too, have referred to the fact that we do not agree on all issues. But we have so many things with each other that, for good reasons, we insist on being different to retain our separate identities.

It captured the imagination of Ernest Hemingway when he worked as a reporter for the *Toronto Star Weekly* in 1925. Hemingway was traveling in Canada, and he noted that the Canadians made no distinction between Canadians and citizens of the United States. And he wondered about this, and he asked a hotelkeeper if he didn't notice a difference between the people from

the two countries. "Monsieur," he said to Hemingway, "Canadians speak English and always stay 2 days longer at any place than Americans do." [Laughter] As you know, I shall be returning to Ottawa in July, and if you don't mind, I'll plan to stay as long as everyone else. [Applause]

I'm not here today to dwell on our differences. When President Eisenhower spoke from this spot in 1953, he noted his gratitude as Allied Commander in World War II for the Canadian contribution to the liberation of the Mediterranean. This touched my curiosity, and even though I'd participated in that war myself, I did a little research.

In the Second World War, there was something called the 1st Special Service Force, a unique international undertaking at the time. This force was composed of Canadians and Americans, distributed equally throughout its ranks, carrying the flags of both nations. They served under a joint command, were taught a hybrid close-order drill, and trained together as paratroopers, demolition experts, ski troops, and then as an amphibious unit.

The 1st Special Service Force became famous for its high morale, its rugged abilities, and tough fighting in situations where such reputations were hard-earned. Alerted to their availability, Gen. Eisenhower requested them for special reconnaissance and raiding operations during the winter advance up the Italian Peninsula. They were involved in the Anzio beachhead campaign in Italy and were at the spearhead of the forces that captured Rome. The 1st Special Service Force made no distinctions when it went into battle. Its men had the common cause of freedom at their side and the common denominator of courage in their hearts. They were neither Canadian nor American. They were, in Gen. Eisenhower's term, liberators.

Let's speak no more of differences today. Certainly, your Ambassador, Ken Taylor, didn't when he first sheltered and then spirited six Americans out of the center of Tehran and brought them to their freedom. Their daring escape worked not because of our differences but because of our shared likenesses.

President Reagan addresses a joint session of the Canadian Parliament. Seated in the front row are Secretary Haig, Secretary of State for External Affairs MacGuigan, Mrs. Reagan, and Prime Minister Trudeau.



(White House photo by Michael Evans)

A final word to the people of Canada: We're happy to be your neighbor. We want to remain your friend. We're determined to be your partner, and we're intent on working closely with you in a spirit of cooperation. We are much more than an acquaintance. *Merci*. Thank you.

REMARKS TO REPORTERS¹

Prime Minister Trudeau

The point has been made many times that we are happy to have received President Reagan and his ministers and officials. We want to report briefly this morning on the conversations and discussions that took place between us. I would merely preface them by saying that at the beginning of a new administration we were surprised and delighted that so much ground could be covered in such a positive way. There's no subject and no grievance, if I could use the word, which the United States wasn't prepared to discuss and indicate a will to settle.

We discussed yesterday morning mainly the area of international affairs, and we had a very wide-ranging *tour d'horizon*. *Nous avons parlé de l'Afghanistan, de la Pologne, du Proche-Orient*. [We discussed Afghanistan, Poland, the Near East.] We talked a fair amount of the Caribbean and Central America. And on El Salvador in particular there was agreement, as I could sense it, that the solution there should be a political solution and that we would work in whatever way we could to insure that the moderates were those who took over and not the extremists of the right or of the left.

We, as you know, reached an agreement on NORAD, which will be signed imminently. We reached an agreement on social security also. Much of the work in these two areas had been done before we even sat down to talk, because you realize as we do that every day of the week there are contacts between officials of both governments on a multitude of subjects. And what we concentrated on in our brief meetings was mainly in the area of disagreement or a need to clarify our respective positions, and I would say that on the two main areas of bilateral concern we were very pleased with the ultimate response of the President of the United States.

It began, of course, with an expression of our deep disappointment at the fact that the fisheries treaty had been withdrawn from the United States from ratification, because from the outset we had argued, when these discussions began several years ago, that linkage between the boundaries settlement and the fisheries was not only necessary, but it was obvious from the very nature of the two agreements. And we are disappointed at the delinkage, and that has been expressed very clearly to the United States. But as I said in the House of Commons a few days ago, I think it's fair to put the best possible light on this, and that is certainly in keeping with the attitude that the discussions assumed.

The fisheries treaty was bogged down for a couple of years in the Senate, and we view the U.S. gesture of withdrawing that treaty as an indication of their determination to solve the problem in other ways, because we made it quite clear that the two problems have to be solved. It is not just a matter of having the courts determine the boundaries; it is a matter of making sure that though there will be no fish war—we gave each other the assurance of that, and we will take measures to make sure it doesn't happen—no one would benefit if the fish ultimately were fished out by the extraordinary capacities of the Canadian fishermen to go ahead and fish if they see that there are no limits and that the Americans are not respecting them. In this sense, we are very happy that the U.S. Administration has undertaken to assure fish conservation measures in that area. And we are hopeful that the problem will be settled in that way. Indeed, we're more than hopeful; we are confident that it will.

The other area, of course, of great concern to Canada was cross-boundary pollution, either through acid rain, Great Lakes water pollution, or the particular case of the Garrison diversion. And on all these matters I think it's fair to say that the United States, as the President had occasion to repeat in the House of Commons a few moments ago—we have the assurances that the United States has the will and the determination to cooperate with us in preserving the environment for ourselves and for posterity.

We talked about the pipeline—the northern gas pipeline—and you heard the President of the United States give us the assurance that they were determined to see it to its successful completion and, therefore, to carry on the undertakings we'd had from the previous Administration.

We talked about many other bilateral subjects in the area of trade. We thought that the auto pact discussions should be pursued and continued. In the area of mass transit transportation, the United States has agreed to consider ways in which agreement and the buy-American provisions can be made to operate in a fair way to Canada.

We discussed other economic subjects. But I think it's important, in conclusion, to remind you that the impression that I got from our discussions with the American President and ministers was that we were doing this in the spirit of good will and attitudes. We didn't approach this as a zero-sum game. We think that there can be benefits on both sides in all these areas, whether it be from the environment or trade.

We don't see the negotiations as a competition in a victory for one and a loss for the other. On the contrary, the spirit and reality of these discussions, and I am convinced, of the future relations with President Reagan's Administration, will be that both sides can come out the gainers if we solve the problems of the environment, problems of boundaries or of fisheries, problems of trade, problems of social security that both sides have it to their advantage to look at international problems in that same light, too, because we share the main objectives of liberty and justice.

I expressed for my part that there might be some future meetings between the President of the United States, the President of Mexico and the Prime Minister of Canada, if we could have such meetings to try and share our views of people who inhabit the New World, particularly as we regard international developments.

We will be meeting again, the President and I and the other summiters in July. And I think that we have shared at least by our meeting in this past day and a half that we intend to continue our consultations. I did make the point that I think the President agreed—that the reaction to tensions in Poland, as

from our reaction to events in Iran more than a year ago, show we had learned from the lesson of Iran and that we understood the most important things to achieve as likeminded countries consult in order that we not be disarray to crises or possible in other parts of the world, but in fact, in fact as we are in spirit, in fact and with dedication to the freedom.

It's about all I think I have to say, President, and it's up to you to carry and satisfy those who were satisfied by me. [Laughter]

With Reagan

They are. You gave certainly a thorough summing-up of the meetings we've held. I would like to remark, however, to remark on the kind of welcome that I have received here. That went beyond careful planning and a sincere and warm reception by the Governor General and the Prime Minister. It was truly a welcome, a bridge between neighbor and

discussion showed that the United States and Canada stand on many world issues. Underneath, on some issues, we see things very different. Each country has its own national interests and objectives. Each brings to international issues a different point of view. But what has impressed me is the degree to which we have agreement and, where we have disagreement, that we have discussed our

differences with the kind of openness and understanding that exists between our neighbors.

We discussed the major areas of instability in the world, as the Prime Minister told you, including Eastern Europe, the Middle East, Latin America. We considered carefully the Ottawa summit, which will be held here in July. That meeting will be a very useful opportunity to share views on relationships between the industrialized democracies and the Soviet Union on energy cooperation and on economic relations within the developing nations.

In addition to discussing these world issues, we carefully considered the bilateral U.S.-Canadian relationship. We agreed wholeheartedly that consultation is vitally important to our close and cooperative relationship, and we agreed to foster frank and informal consultation at all levels and at all times. Our bilateral discussions took us into areas where our two nations are closest. We discussed matters affecting the environment, fisheries, as you've been told, energy, trade, and defense. In each of these areas we were, I believe, able to deal with the issue squarely in an atmosphere of frankness and understanding, and we did, yes, discuss the pipeline, the Canadian national energy program, took up the continuing problems, as the Prime Minister told you, of east coast boundary and fisheries treaties.

On the environment we addressed the Garrison project and continued joint efforts to deal with both transboundary air pollution and the cleanup of the Great Lakes. We agreed to continue

consultations on the auto industry and on reciprocal opportunities for urban mass transit trade. We discussed our defense production sharing agreements. We've had, in short, a busy time.

I look forward to continued contacts between us at the Prime Minister-President level, at the level of Cabinet officers, and at all levels below. To sum it up, our meetings have been, as he said, frank and constructive, and I intend to do all in my power to see that we continue to deal with each other in the same way in the years ahead. And I would like to close by expressing my thanks to Governor General Schreyer, to Prime Minister Trudeau, and through them to the people of Canada for the warm welcome that I and my associates have received here this week. I can assure you we will not forget it. We will remember it with great warmth and pleasure.

¹Texts from Weekly Compilation of Presidential Documents of Mar. 16, 1981, which also includes the President's and Prime Minister's remarks outside the Centre Block on Parliament Hill and the exchange of remarks between the President and the Governor General following a dinner at Rideau Hall, the Governor General's residence, on Mar. 10.

²Made at Hangar 11 at the Canadian Forces Base.

³Made in the House of Commons Chamber at the Centre Block.

⁴Made in the Railway Committee Room at the Centre Block. ■

President Reagan and Prime Minister Trudeau in the Prime Minister's office at Centre Block, Parliament Hill.

photo by Michael Evans)



Interview With Walter Cronkite (Excerpts)

Following are excerpts from an interview President Reagan held with Walter Cronkite for CBS News which was broadcast on March 3, 1981.¹

Q. With your Administration barely 6 weeks old, you're involved now in, perhaps, the first foreign policy crisis, if it can be called a crisis yet—it probably cannot be, but it's being much discussed, of course—much concern about El Salvador and our commitment there. Do you see any parallel in our committing military advisers and military assistance to El Salvador and the early stages of our involvement in Vietnam?

A. No, I don't. I know that that parallel is being drawn by many people. But the difference is so profound. What we're actually doing is at the request of a government in one of our neighboring countries helping—offering some help against the import or the export into the Western Hemisphere of terrorism, of disruption, and it isn't just El Salvador. That happens to be the target at the moment.

Our problem is this whole hemisphere and keeping this sort of thing out. We have sent briefing teams to Europe, down to our Latin American neighbors with what we've learned of the actual involvement of the Soviet Union, of Cuba, of the PLO [Palestine Liberation Organization], of even Qadhafi in Libya, and others in the Communist bloc nations to bring about this terrorism down there.

You used the term military advisers. You know, there's a sort of a technicality there. You could say they are advisers in that they're training, but when it's used as adviser, that means military men who go in and accompany the forces into combat, advise on strategy and tactics. We have no one of that kind. We're sending and have sent teams down there to train. They do not accompany them into combat. They train recruits in the garrison area. And as a matter of fact, we have such training teams in more than 30 countries today, and we've always done that; the officers of the military in friendly countries and in our neighboring countries have come to our service schools—West Point, Annapolis, and so forth. So I don't see any parallel at all.

And I think it is significant that the terrorists—the guerrilla activity—in El Salvador was supposed to cause an uprising that the government would fall because the people would join this aggressive force and support them. The people are totally against that and have not reacted in that way.

Q. That's one of the questions that's brought up about the wisdom of our policy right at the moment. Some Latin Americans feel that President Duarte [of El Salvador] has control of the situation. The people have not risen. This last offensive of the guerrillas did not work, and, therefore, aren't we likely to exacerbate the situation by American presence there now, therefore sort of promoting a self-fulfilling prophecy by coming down there and getting the guerrillas and people themselves upset about "big brother" intervention, and therefore losing the game instead of winning it?

A. No, and we realize that our southern friends down there do have memories of the great colossus of the north and so forth—but no, his government has asked for this because of the need for training against terrorist and guerrilla activities, has asked for materiel such as helicopters and so forth that can be better at interdicting the supply lines where these illicit weapons are being brought in to the guerrillas. This is what we've provided and some of these teams that have been provided are also to help keep those machines in the air and on the water—patrol boats and so forth—to try to interdict the supply by water of weapons and ammunition. They need help in repair. They get laid up for repairs, and they don't have the qualified technicians.

Q. What really philosophically is different from our going down to help a democratic government sustain itself against guerrilla activity promoted from the outside or Soviet and Cuban aid, as we believe it to be—your Administration says it is—and Afghanistan? El Salvador is in our sort of political sphere of influence. Afghanistan, on the border of the Soviet Union is certainly in their geopolitical sphere of influence. They went in with troops to support a Marxist government friendly to them. Why isn't that a parallel situation?

A. I don't think there can be a parallel there, because I was in Iran 1978 when the first coup came about and it was the Soviet Union that put their man as President of Afghanistan and then their man didn't work out their satisfaction. So they came in and got rid of him and brought another that they'd been training in Moscow put him in as their president and then with their armed forces, they are trying to subdue the people of Afghanistan do not want this pro-Soviet government that has been installed by an outside force.

The parallel would be that with actually using Soviet troops, in effect Soviets are, you might say, trying to do the same thing in El Salvador that did in Afghanistan, but by using proxy troops through Cuba and guerrillas they had hoped for, as I said, an uprising of the people that would then get them some legitimacy in the government that would be installed—the Communist government. But the people didn't rise up. The people have evidenced their desire to have the government they want and not be ruled by these guerrillas.

Q. Secretary of State Haig has said that we'll not have a Vietnam in El Salvador because the United States will direct its action toward Cuba, which is the main source of the intervention, in his words. But Cuba is a client state of the Soviet Union. Is it not likely to stand by and let us take direct action against Cuba, is it?

A. A term "direct action," there are a lot of things open: diplomacy, training, number of things and Secretary Haig has explained the use of the term. The source with regard to Cuba means intercepting and stopping of the supplies coming into these countries—the exports from Cuba of those arms, the training the guerrillas as they've done there. I don't think in any way that he was suggesting an assault on Cuba.

Q. An intercepting and stopping means blockade. And isn't that a part of war?

A. This depends. If you intercept them when they're landing at the beach or find them where they're in the locale, such as, for example, Nicaragua and informing Nicaragua that we're aware of the part that they have played in this using diplomacy to see that the country decides they're not going to allow themselves to be used anymore, there's been a great slow down. We

ing it very carefully—Nicaragua—transfer of arms to El Salvador. doesn't mean that they're not coming from other guerrilla bases in other places there.

You've said that we could extricate ourselves easily from El Salvador or if that were required at any point in this proceeding. I want to know what you mean at any given point. Could we possibly extricate ourselves? Even now, from this initial position, how could we extricate ourselves without a severe loss of face?

I don't think we're planning on that, to extricate ourselves from El Salvador. But the only thing that I could see that could have brought that about is if the guerrillas had been correct in their assessment and there had been the least disturbance, well, then it would be as if we're there at the bequest of the present government. If that government is no longer there, we're not there without an invitation. We're not imposing ourselves upon them, and simply leave and there aren't that many people to be extricated.

Even if the Duarte forces begin to fight with whatever military assistance we give them, or even training advisers we give them, are you pledging that we will not get involved with fighting forces?

I certainly don't see any likelihood of us going in with fighting forces. Our continued work in the field is to help the Guatemalan and Guatemalan with neighboring countries interested in Central America to bring this violence to a halt and to make sure that we do not sit passively by and let this area be invaded by outside forces.

Our hard line toward the Soviet Union is in keeping with your statements, your promises. There are some who, while applauding that stance, feel that you have overdone the rhetoric a little in laying into the Soviet leadership being liars and thieves, etc.

Let's recap. I am aware that I have received a great deal of criticism, and I can't criticize the media for that. I said it. But the criticism seems to have been ignored, in many things: one, I did not volunteer my assessment. This was not a statement. I went in and called a press conference and said: "Here, I want to follow you." I was asked a ques-

tion. And the question was: What did I think were Soviet aims? Where did I think the Soviet Union was going? And I had made it clear to them, I said: "I don't have to offer my opinion. They have told us where they're going over and over again. They have told us that their goal is the Marxian philosophy of world revolution and a single one-world Communist state and that they're dedicated to that." And then I said: "We're naive if we don't recognize in their performance of that, that they also have said the only morality"—remember their ideology is without God, without our idea of morality in the religious sense. "Their statement about morality is that nothing is immoral if it furthers their cause, which means they can resort to lying or stealing or cheating or even murder if it furthers their cause and that is not immoral. Now, if we're going to deal with them, then we have to keep that in mind when we deal with them." And I've noticed that with their own statements about me and their attacks on me since I answered that question that way—it is the only statement I have made—they have never denied the truth of what I said.

Q. You don't think that name-calling, if you could call it that, makes it more difficult when you do finally, whenever that is, sit down across the table from Mr. Brezhnev and his cohorts?

A. No, I've been interested to see that he has suggested having a summit meeting since I said that.

Q. Let me ask another question about being tough with the Russians. When Ambassador Dobrynin of the Soviet Union drove over to the State Department for the first time after the Administration came in, his car was turned away at the entrance to the basement garage which he had been using, told that he had to use the street door like all the other diplomats had been doing. It was obviously tipped to the press that this was going to happen. What advantage is there in embarrassing the Soviet Ambassador like that? A phone call would have said: "Hey, you can't use that door any longer." Was that just a macho thing for domestic consumption or—

A. I have to tell you, I didn't know anything about it until I read it in the paper, saw it on television myself. I don't know actually how that came about or what the decision was, whether it was just one of those bureaucratic things in the—

Q. You didn't ask Secretary Haig about it?

A. No, and I just don't know—

Q. Don't you think the Russians kind of think we're childish when we pull one like that?

A. I don't know. I don't know, or maybe they got a message.

Q. What conditions do have to be satisfied before you would agree to a summit meeting with Brezhnev?

A. There are some things that I think would help bring that about. The main thing is you don't just call up and say: "Yes, let's get together and have lunch." A summit meeting of that kind takes a lot of preparation, and the first preparation from our standpoint is the pledge that we've made to our allies, that we won't take unilateral steps. We'll only do things after full consultation with them because they're involved also.

And, I've had an opportunity to talk a little bit about it just—it only came to light, his statement—a short time ago with Prime Minister Thatcher when she was here. So we haven't had the opportunity for the consultations about that that would be necessary.

I have said that I will sit and negotiate with them for a reduction in strategic nuclear weapons to lower the threshold of danger that exists in the world today. One of the things—you say conditions—I think one of them would be some evidence on the part of the Soviet Union that they are willing to discuss that. So far, previous Presidents, including my predecessor, tried to bring negotiations to the point of actual reduction and the Soviet Union refused. They refused to discuss that. I think that we would have to know that they're willing to do that.

I think it would help bring about such a meeting if the Soviet Union revealed that it is willing to moderate its imperialism; its aggression of Afghanistan would be an example. We could talk a lot better if there was some indication that they truly wanted to be a member of the peace-loving nations of the world, the free world.

Q. Isn't that really what you have to negotiate? I mean, is it really conceivable that you're going to get such a change of heart, a change of statement, that you could believe on the part of the Soviet Union before you ever sit down to talk with President Brezhnev?

The President

A. Is that subject a negotiation? If you sit at a table and say: "We want you to get out of Afghanistan," and they're going to say "no," what do you do? Offer them—let them go in someplace else if they'll get out of there?

I remember when Hitler was arming and had built himself up—no one has created quite the military power that the Soviet Union has, but comparatively he was in that way. Franklin Delano Roosevelt made a speech in Chicago at the dedication of a bridge over the Chicago River. And in that speech he called on the free world to quarantine Nazi Germany, to stop all communication, all trade, all relations with them until they gave up that militaristic course and agreed to join with the free nations of the world in a search for peace.

Q. That did a whale of a lot of good.

A. But the funny thing was he was attacked so here in our own country for having said such a thing. Can we honestly look back now and say that World War II would have taken place if we had done what he wanted us to do back in 1938? I think there's a very good chance it wouldn't have taken place. But again, as I say, some evidence from the Soviet Union, I think, would be very helpful in bringing about a meeting.

Q. It sounds as if you're saying that there isn't going to be any summit meeting with Brezhnev.

A. No, I haven't put that as a hard and fast condition. I'm just saying that in discussing with our allies, it would make it a lot easier if we were able to say: "Well, now look, they've shown some signs of moderating their real imperialistic course." When we look at where we are and with their surrogates, Qadhafi in Chad, Cuba in Angola, Cuba and East Germans in Ethiopia, in South Yemen, and, of course, now the attempt here in our own Western Hemisphere—

Q. I hate to belabor this, but since the whole world is looking forward, I think, to eventually some negotiations to stop the arms race, to get off of this danger point, it is an important thing, and I gather that the Soviet Union has to make a unilateral move—to their point, it would be backwards. They'd have to, let's say, get out of Afghanistan. Do they have to get out of Afghanistan before you'd meet?

A. No, I haven't said that, and I can't really say a specific answer to any of these things unless and until I have met with and discussed this whole problem with allies who, you know, are only a bus ride away from Russia.

Q. They seem to be saying, as near as we can tell, in their press and elsewhere, that they're saying they're anxious for you to meet on arms control. They're anxious to get arms control discussions going. They're terribly concerned about that. They're fearful that you're not going to want to negotiate until such time as you get your defense program and your economic program through Congress and feel that you're negotiating from strength and that they're fearful that that's going to be some time. And too late.

A. Too late for what is the question. No, I don't know, but I do believe this: that it is rather foolish to have unilaterally disarmed, you might say, as we did by letting our defensive—our margin of safety deteriorate and then you sit with the fellow who's got all the arms, what do you have to negotiate with? You're asking him to come down to where you are or you to build up to where he is, but you don't have anything to trade. So, maybe realistic negotiations could take place. When? We can say: "Well, all right. This thing that we're building we'll stop if you'll stop doing whatever it is you're really doing."

Q. You campaigned on lifting the grain embargo to the Soviet Union. You delayed in doing that so far because you, I gather, feel it would send the Russians the wrong message, perhaps, if you did. Senator Helms has suggested perhaps if the embargo—grain embargo—should be extended to a general boycott of all U.S. trade with the Soviet Union. Is that an option that you're studying?

A. I don't think you rule out anything. Actually, my campaigning was more on my criticism that the embargo shouldn't have taken place the way it did in the first place—that if we were going to go that route, then it should have been a general embargo. We shouldn't have asked just one segment of our society and not even agriculture, just the grain farmers, to bear the burden of this, when at the same time we knew we could not enforce or persuade friendly nations to us who would be tempted to take over that market and many of them did start supplying the grain that we

weren't supplying. So the question was: Were we hurting ourselves worse than we were hurting them?

Certainly it didn't stop the invasion of Afghanistan. And I criticize this. The same time—and we have made a decision now on it—I would like to lift the embargo. I think all of us would at the same time, now and with Poland added—the situation in Poland to Afghanistan and all—we have to think very hard as to whether we can just go forward unilaterally and do this.

Q. Because, in effect, it has been effective. They are having problems with grain supply there, aren't they?

A. I think they'll always have problems with supply because they insist that collective farm business which never has worked and isn't going to work in the future.

You know, this is something that I've never been able to understand about the Russian leaders. Wouldn't you think some time they would take a look at their system and say: "We can't produce enough food to feed our people"—to nothing of other consumer items that are still rationed and scarce in supply under that system—"and yet, we can look at these other countries in the world, all the countries that chose this way, not only the United States, but South Korea, Taiwan, all the countries that choose the free marketplace, the standard of living goes up and up. And we have—our problem isn't one of not raising enough food, it's not finding enough places to sell it."

Q. What place do you think human rights should have in our foreign policy?

A. I think human rights is very much a part of our American idealism. I think they do play an important part. My criticism of them, in the last few years, was that we were selective with regard to human rights.

We took countries that were pro-Western, that were maybe authoritarian in government, but not totalitarian—more authoritarian than we would like—did not meet all of our principles of what constitutes human rights and we punished them, at the same time that we were claiming detente with countries where there are no human rights. The Soviet Union is the greatest violator of human rights in all the world. Cuba goes along with it, and yet, previously, while we were enforcing human rights with others, we were

News Conference of March 6 (Excerpts)

ut bettering relations with
s Cuba. I think that we ought to
e sincere about our position on
rights.

**Do you believe that our re-
sents for military allies and
ould take precedence over
rights considerations?**

No, I think what I'm saying is
ere we have an alliance with a
that, as I say, does not meet all
-we should look at it that we're
er position remaining friends, to
e them of the rightness of our
human rights than to suddenly,
ive done in some places, pull the
from under them and then let a
ely totalitarian takeover that
hat human rights the people

**Doesn't that put us in the posi-
er of abetting the suppression
n rights for our own selfish
least temporarily, until such
t we can make those per-
changes?**

What has the choice turned out
e choice has turned out to be
all human rights because
totalitarian takeover.

**our appointment to the head
man rights section over at
e Department is Mr. Ernest
e of course. He testified to the
ubcommittee in 1979: "In my
te United States should remove
l statute books all clauses that
a human rights standard or
ti that must be met by another
gein nation." Do you agree with
a statement?**

ve never had a chance to
ith him just how he views that
atie believes the course would
o, however, believe that con-
ome of the attacks against
he's as concerned about human
a the rest of us. But I think what
at is that basic human rights and
ion of them are being ignored
ere they take place in the Com-
oc nations.

**e says also that we should not
ened with South Africa's
olicies but should make the
ry full-fledged partner of the
ates in the struggle against
unist expansion. Should we drop
or concerns about human rights
ut Africa?**

**Q. Your Secretary of State has said
that you would strongly oppose a
right-wing takeover of the government
in El Salvador, while your own White
House spokesman has been less
definite. Just how strongly would you
oppose such a coup, and would it
result in a complete cutoff of
American aid, both economic and
military?**

A. I think what we're all intending
to say is that we would have to view
very seriously such an attempt and such
a coup. We're there at the request of the
government. We're supporting a govern-
ment which we believe has an intention
of improving the society there for the
benefit of the people, and we're opposed
to terrorism of the right or left. And so,
we would have to view very seriously—I
can't answer the last part of your ques-
tion as to exactly what we would do, but
it would be of the gravest concern to us
if there were such a thing.

**Q. I'd like to ask you a two-part
question on El Salvador. First, is a
naval blockade an option you are con-
sidering? And second, given the fact
that several Americans have been
murdered in El Salvador in the last
several weeks and the advisers you're
sending there could well be a special**

A. No, no, and I think, though, that
there's been a failure, maybe for political
reasons in this country, to recognize
how many people—black and white—in
South Africa are trying to remove apar-
theid and the steps that they've taken
and the gains that they've made. As long
as there's a sincere and honest effort be-
ing made, based on our own experience
in our own land, it would seem to me
that we should be trying to be helpful.
And can we again take that other
course? Can we abandon a country that
has stood beside us in every war we've
ever fought, a country that strategically
is essential to the free world? It has pro-
duction of minerals we all must have
and so forth.

I just feel that, myself, that here, if
we're going to sit down at a table and
negotiate with the Russians, surely we
can keep the door open and continue to

**target for terrorists, how do you in-
tend to provide for the personal safety
of those advisers? And do you envision
the need for American troops as any
sort of a security force for those ad-
visers?**

A. There almost were three parts to
your question, so let me say the first
part is, I won't comment on anything we
might be considering in the line of an ac-
tion with regard to the safety of our
personnel. We're taking every precau-
tion we can. We realize that there is a
risk and a danger. None of them will be
going into combat. None of them will be
accompanying El Salvadoran troops on
missions of that kind. They will be in
what has to be considered as reasonably
safe a place as there can be in that coun-
try in garrison.

They are there for training of the El
Salvador personnel. We can't, I'm sorry
to say, make it risk-free, but we shall do
our utmost to provide for their safety.

**Q. Do you not see the need for
American troops as security forces, in
other words?**

A. No, that is not in our reckoning
at all. We think we're abiding by what
is—nor has it been requested. We've had
requested the people that we have sent
there already, and we don't foresee the
need of any American troops.

negotiate with a friendly nation like
South Africa.

**Q. The Argentinian Government
has just arrested internationally re-
spected heads of the principal human
rights organization there, seized their
list of 6,000 persons who've disap-
peared under this government. Is the
United States going to protest that?**

A. That just happened, as you
know, and I haven't had an opportunity
to meet with Secretary Haig on this. In
fact, the only information that so far has
been presented to me is that it did hap-
pen.

¹ Text from White House press release. ■

The President

Q. The United States role [in El Salvador] is being compared with its role in Vietnam 15-20 years ago. Do you think that's a valid comparison? And also, how do you intend to avoid having El Salvador turn into a Vietnam for this country?

A. I don't believe it is a valid parallel. I know that many people have been suggesting that. The situation here is, you might say, our front yard; it isn't just El Salvador. What we're doing, in going to the aid of a government that asked that aid of a neighboring country and a friendly country in our hemisphere, is try to halt the infiltration into the Americas by terrorists, by outside interference and those who aren't just aiming at El Salvador but, I think, are aiming at the whole of Central and possibly later South America—and, I'm sure, eventually North America. But this is what we're doing, is trying to stop this destabilizing force of terrorism and guerrilla warfare and revolution from being exported in here, backed by the Soviet Union and Cuba and those others that we've named. And we have taken that evidence to some of our allies. So, I think the situation is entirely different.

We do not foresee the need of American troops, as I said earlier, in this, and we're sending, what, some 50-odd personnel for training. We have such training squads in more than 30 countries today, so this isn't an unusual thing that we are doing.

Q. There appears to be a debate within your Administration over whether to have mandatory or voluntary limits on Japanese auto imports. Have you decided which you would recommend going with?

A. We haven't reached a decision on this. We have a task force under Secretary of Transportation Drew Lewis. We've had one meeting with the task force—a Cabinet meeting—and the second meeting is scheduled for next week, and until then, no decisions have been made. Such things are part of the considerations as well as whatever special things we can do, mainly in the lifting of regulations that have made it more costly to build American cars and so forth. All of this is going to be discussed and a decision made when we have the final report in from the task force.

I think also that, again, we get back to our economic program. I think that in

itself is one of the first steps in helping not only that industry but other industries.

Q. I'd like to ask this question in context of the campaign. One of the major issues was what was called the "war issue" at that time, in fact the question of whether you would be more toward war than Mr. Carter. And in fact, exit polls showed that some of those who voted did feel that you might get us into one faster. The first major issue in foreign policy has been El Salvador, which has been called risky and reckless by some, and which the allies—who you have shown in your many times that are very important and key to any question—have not jumped on the bandwagon supporting you in El Salvador. In fact, in Canada there's some controversy. Aren't you worried about that fact, especially since you go to Canada this week?

A. Not really, when you stop to think that I didn't start the El Salvador thing. I inherited it. And the previous Administration, which probably was as vociferous as anyone in talking about my threat to peace, they were doing what we're doing—sending aid to El Salvador of the same kind of aid that we're sending. I don't think that I'm doing anything that warrants that charge, while I didn't think I warranted it before. And I've been here more than 6 weeks now and haven't fired a shot. [Laughter]

Q. In addition to your decision to send military aid and advisers to El Salvador, what specific steps have you taken to insure that human rights violations there are not repeated?

A. What steps to be sure that human rights violations will not be repeated? As you know, an investigation was going forward with regard to an episode that happened before I took office. But in addition to the military aid, we are also supplying general aid, and they know our position with regard to the reforms that the Duarte government has been trying to implement—the land reform, creating of farms for the former tenants—and we support all of that. And one of our reasons for the support of this government is because we believe that they do hold out the best hope for improving the conditions of the people of El Salvador.

We're mindful of that, and we think that the—when the terrorists themselves, the guerrillas, boast of having

killed—and they give a number somewhere above 6,000 people in the last year—and that's their own claim of they've accomplished, we think we helping the forces that are supporting human rights in El Salvador.

Q. In advance of your trip to Ottawa next week, the most serious bilateral tension between Canada and the United States remains the unratified east coast fishing and boundaries treaty. Are you committed to finding a solution acceptable to the Canadians, or are you prepared to let the fishing portions of the treaty, at least, put into diplomatic limbo?

A. No, I don't want to see that diplomatic limbo, and I want to see settlement of this whole issue and I so informed our people on the Hill that. But this meeting—this is going to be the first meeting, and it's going to be one of kind of establishing a base for future negotiations. I don't know whether we will get down to hard work and make any settlements in a first meeting of this kind, but we'll certainly lay the groundwork for trying to eliminate anything that could divide us, remain a stumbling block to better relations. This is part of what I talked all during the campaign, from my first announcement on, and that is to start here in the Western Hemisphere with building an accord between the three great countries of North America—Canada, the United States, and Mexico.

I'm sure that all of these things will be out on the table when we get there but we'll set an agenda for trying to resolve them.

Q. The Canadian Government has an energy plan calling for 50% Canadianization of oil interests in that country and also added taxation on their production. It's a plan that has caused some shift of exportation from Canada to the United States. What will you be advising Mr. Trudeau next week when you visit with him on that plan? And how is it going to affect U.S. investments in that country?

A. I wish you were asking me that after we'd had the meeting. Things like this kind I would rather not state in advance. These are things I would want to take up when I get there and see how we can, as I say, set an agenda for getting them resolved.

With regard to energy, I am determined that the proper goal for us must be energy independence in the United

Secretary Haig Interviewed for French Television

Secretary Haig was interviewed for French television, Antenne 2, at the Department of State on February 23, 1981.¹

Q. Leonid Brezhnev, just today, said that he wishes to resume a dialogue with the United States despite the bellicose words of the Americans. What is your first reaction to that?

A. First, you catch me at some disadvantage because we have not had the opportunity to either read the full text of Mr. Brezhnev's speech nor to analyze it with the care that we would like—and even more importantly, to discuss its implications with our European and Atlantic community partners. I think this is an essential aspect of our approach. But I must say that we are very interested in what Mr. Brezhnev did have to say.

Q. What do you mean by "interested"? What meaning do you give to the word "interested" as it relates to American policy?

A. I think the first glance at some of the excerpts I've seen suggest there are some new overtones in Mr. Brezhnev's pronouncements, but these clearly have to be clarified and analyzed with great care. And I think it is sometimes counterproductive to be too eager to cast value judgments until we've had a chance to analyze, study, and consult with our partners on this subject.

I was against it at the time. I didn't think it should have been used as it was, that if we were going to follow that road, we should have gone across-the-board and had a kind of quarantine. We didn't. But now we have to look at the international situation, the way it is, and see what would be the effect, not just on the use of grain but the whole effect and what would it say to the world now for us to just unilaterally move.

We're hopeful that we can arrive at a settlement and a decision on this and one that will benefit our farmers.

Text from Weekly Compilation of Presidential Documents of Mar. 9, 1981. ■

Needless to say, we welcome a dialogue with the Soviet Union on a host of differences that divide us, and as you yourself pointed out, we have had already some comments to make with respect to the nature of Soviet international behavior as we perceive it over the last 5 years.

Q. Do you have the impression that the fact of having spoken loudly, strongly since the new Administration started has had a positive effect on the Soviet Union?

A. I think it's much too early to tell, but clearly this Administration—President Reagan—has felt that it is vitally important that the United States enter into a period of greater consistency in the conduct of our affairs abroad with both our friends and allies, members of the nonaligned states, as well as those of the Soviet bloc.

He also feels that the United States must project an image of relevancy. There has been at least the appearance of what I've referred to as the "Vietnam syndrome" where many of our friends have been confused, befuddled, and fearful that we have, in that post-Vietnam experience, tended to withdraw from the world. And we've also talked about balance. By balance I mean a clear recognition of the great number of contradictions that involve solutions to any particular problem area—the need to integrate political, economic, and security aspects of these problems.

Q. In the text that perhaps you have read, Mr. Brezhnev also proposes a summit—a Reagan-Brezhnev summit. Do you think this is achievable, or from the point of view of principle, would you find it desirable? Or do you think it's too soon?

A. I think, clearly—I've already made myself clear on this subject—that summitry should result in achievements. That means they must be carefully prepared. It means that the number of differences that exist between the parties to summitry should be on the verge of some kind of negotiated consummation. Consequently, I think, clearly, we have a lot of preliminary work to do in the areas of East-West differences before summitry itself would be in order.

The Secretary

Q. What does that mean? Does that mean that you are not ready or you are not in a hurry?

A. It means we are not in a hurry for summitry, *per se*. We do anticipate and would strongly encourage a dialogue between ourselves and the Soviet Union which I hope will be rapidly forthcoming.

Q. Is it possible that it will take place before the end of the year?

A. I think it's inevitably self-defeating to set deadlines for such important and momentous occasions. I do not have any particular set of deadlines; I do not believe Mr. Reagan would have any. We feel that there are many important differences. As you mentioned, we have touched upon some of those differences in the first 3 weeks of this Administration.

Q. Would this come down to a *tete-a-tete* between the Soviet Union and the United States or do you think other world leaders might join in?

A. Again, I don't want to prejudice the venues, the structure of future talks. I do believe these are matters that should be discussed between alliance partners, Atlantic community partners, those of us who share common values. And that is another aspect of this Administration's foreign policy, and I think it is vitally important. We intend and will proceed with very detailed and intimate consultations with our partners.

Q. Let's come to Poland. Do you fear military intervention on the part of the U.S.S.R., and what might you be able to do concretely to prevent such military intervention?

A. Here again, it's been my experience that too much public airing of contingency action sometimes precludes one's ability to execute those actions if confronted with the fact.

I would like to say that I neither think that Soviet interventionism in the internal affairs of Poland is imminent nor inevitable, not at all. I think it is vitally important that this difficult and anguishing situation be left for the Polish people themselves to work out and, hopefully, that process will be through peaceful due process.

Q. That would be in the best of all possible cases that the Poles would be able to solve their own problems. But what we have understood from Mr. Brezhnev's text today is how important the Soviet Union considers

Poland to be. Therefore, the Poles will not solve their problems all by themselves.

A. I think, clearly, this is an anguishing problem for the Soviet leadership, an extremely important one. If you care to have me reiterate the proclamations made by the NATO family of nations or other proclamations that have been made unilaterally by all our member states and to underline the gravity with which we would view a Soviet interventionism, or an indirect interventionism, into the internal affairs of the Polish people, I'm happy to do so. It would have very, very significant and very lasting consequences for whatever hopes we may have for an improving East-West dialogue.

Q. If that did happen, what reprisals would the United States take?

A. I think this, again, is a matter not for public rhetoric. It is a matter for coordinated consultation among all of the Western states which I would hope would be in total concert with respect to reaction to Soviet interventionism. And I'm happy to say that consultation has occurred in the NATO family and also in a bilateral and multilateral sense.

Q. Do you think it will have to be a simultaneous reaction or a collective reaction on the part of the West if such military intervention were to take place in Poland?

A. I think both. We would hope for simultaneity in certain Western reactions, but we also benefit from the individual character of each of our member states' own national contributions to any international problem. So I would say the answer is both.

Q. How do you define the present situation? Do you think it is just one more crisis—a simple crisis between East and West—or do you think it is the end of the period we have come to call detente as far as you are concerned?

A. I don't like to characterize this particular event, which was not necessarily a set of circumstances wished for by either the East or the West. That's clear. I do not like to indulge in value judgments on detente *per se*. It's clear that recent history suggests that the interpretation of detente between the two sides has left some profound differences. So I like to talk about a new era in

which we seek an East-West relationship which is premised and built on reciprocity, restraint, and a clear uppinning on the part of the West of a background of appropriate military capability to underline this relationship.

Q. Do you think that detente has really rebounded to the benefit of Soviets over the last few years?

A. There again, I think it isn't a question of maintaining a tactical scoreboard. I do think that the dual responsibility encompassed in the present detente would suggest that the Soviet Union has been engaged in a periodic excess and dangerous risk-taking to precedented historic interventionist areas outside the normal sphere of Soviet influence—in Africa, the two Yemens, in Afghanistan, clearly in Southeast Asia, in Kampuchea. And you know, we are today gravely concerned about at least Soviet support of Cuban interventionism in this hemisphere.

Q. Do you have proof which you consider to be irrefutable regarding Communist military assistance to leftist guerrillas in El Salvador?

A. There can be no question about this. We have today released some of the documented evidence which supports the characterization that you yourself gave it—irrefutable. There is no question about that.

Q. If this aid continues—if we understand correctly what we have been hearing from the United States you are ready to go as far as instituting a blockade against Cuba. That has been said.

A. I think again—and I'm sure we are referring to Mr. Meese's [Edwin Meese III, Counselor to the President] interview yesterday—

Q. Yes, yes.

A. —in which he did not preclude that action, together with a whole set of other political, economical, and security-related steps which the United States could take. I don't want to contribute to any premature raising of questions with respect to this but to merely underline the fact that the United States considers this an unacceptable code of conduct in this hemisphere as we do in Africa and elsewhere, and that clearly the time has come for a better understanding of what the acceptable standards of international behavior are to be in the period ahead if we are to ease

between East and West and a desirable atmosphere of international stability. The belief—the increasing belief—desirable and social historic change accomplished by rule of force external sources is clearly not commensurate with the kind of world that I, Mr. Reagan and I know our Western European partners so earnestly desire.

Do you think that all of these problems reflecting situations of inequalities and a lack of justice, all of these might be solved by force? And don't you think the kind of policy you are precipitating in certain countries into despair and the arms of those you wish to

There are two questions here. I think it is clear that the era of colonialism or imperialism, associated with the language of force, is over. And I know that Africans are at the forefront—the vanguard, if you will—of those who are trying to promote social justice in a new world. But I do not believe that social justice can be achieved by external intervention and by, perhaps, the imposition of totalitarian, Marxist rule for undesirable authoritarian purposes, for example. That neither the purpose of social justice nor the vital objectives of the new world.

But, concretely, doesn't this kind of policy lead you to supporting dictatorial regimes in Central and South America?

I think clearly that has not and cannot be the case. But you know, one needs a dialogue with historic reality outside the glare of public relations, if you will, in an atmosphere of normal relationships, not by the imposition of paranoia or the substitution of formal relationships for public relations and criticism, which incumbent leaders less able to deal constructively with the movement toward pluralistic structures that we all see in the achievements in the human world, which is so vitally important to us.

For you, El Salvador is the test, is it not, of the good conduct of the Central American countries. Is that it?

No, I wouldn't portray it as a test. I would portray it as another

manifestation in a very critical area at the doorstep of the United States. The situation itself, the dynamics of that situation, are such that it makes it very fragile and, therefore, very time-urgent.

But I would view the illegal interventionism of the Soviet Union or their proxies—forces that they have funded, trained, and transported to target areas, whether it be in Africa or Southeast Asia or in Europe proper—to be unacceptable to the standards we hope to achieve in a peaceful, stabilized, thriving world.

Q. You are denouncing interventionism of the Soviet Union and their interference in certain countries. Aren't you about to do the same thing as you undertake to prevent attempts to take power in El Salvador? Aren't you promising to engage in your own kind of interventionism?

A. I think this is an important question, and again, I think the facts have to be maintained in the vision of your viewers.

As you know, there has just recently been concluded a major offensive by the so-called liberation forces in El Salvador. Prior to that time, and only in the last days of the Carter Administration, did the United States provide any military equipment to the Government of El Salvador, and that occurred at a time when they were racked in the final phases of the Cuban-sponsored and -supported offensive. So I do not believe that such a charge is either appropriate or correct.

I would also like to emphasize that it is not our intention in El Salvador to engage ourselves along the model of Southeast Asia. As we have said repeatedly, the problem must be dealt with at the source, and in this instance, clearly it's Cuba.

Q. What do you intend to do to see to it that the present situation in Afghanistan does not become a fait accompli?

A. This is a very important challenge facing the Western world, and probably the Soviet leadership as well. As you know, this was an unprecedented extension of direct Soviet military involvement outside their historic sphere of influence. It is unacceptable, and it would be my hope that the Soviet leadership would soon disengage itself from its involvement and return Afghanistan to a neutral or nonaligned status.

Q. Would they suddenly become a lot nicer?

A. Do you mean, do I anticipate a Soviet leadership that has, by philosophical conviction, engaged in these activities historically, although usually within a far more constrained set of tactics, that we are going to recreate the Soviet Union in our own image? No, I don't expect so, and I don't believe that's necessary for East and West to manage their affairs in more constructive ways.

Q. But you are not making Afghanistan a prior condition for improving relations with the U.S.S.R.? What do you ask of Moscow, concretely, in addition to renouncing what it is doing in Afghanistan?

A. I don't make it a habit of conducting my diplomacy through third parties, and I'm not going to do it this afternoon. But I think the rigid score-keeping chart for improving East-West relations is not what the concept of linkage is all about. On the other hand, it's clear that overall East-West relationships, progress in various functional areas, including arms control, credits, trade, technology transfer, must be governed by the overall conduct of the Soviet Union in the international family of nations. And I would say that there is room for substantial improvement in that overall conduct, not with specific ultimatums on one or another area, but I think this is a complex matter that statesmen can judge with clarity and, hopefully, with a constructive outcome.

Q. Leonid Brezhnev, in connection with the intermediate range missiles in Europe, the ones with which the U.S.S.R. can reach Europe, he is suggesting a moratorium. They would stop the deployment of the SS-20s, and you would not deploy the Pershing IIs. Is that an acceptable idea to you?

A. I noted that, and that is part of the interest that I expressed earlier. It's rather remarkable that such a proposal would be put forward after the Soviet Union has deployed literally hundreds of SS-20s in an unprecedented buildup and one that threatens the very fiber of Western European vitality, while we have yet to take the corrective actions that are called for in our own defense.

Q. Upon what condition are you prepared to resume strategic arms negotiations with the Soviet Union?

The Secretary

A. I'm not going to again lay out conditions. We have made it clear that we are anxious to have constructive arms control talks, that we would hope that such talks would result in a reduction of the level of nuclear armaments which is of such concern to us all today, and that we would hope also and anticipate that the concept of linkage would be applied to assure that we have corrected the difficulties we are experiencing with respect to Soviet global interventionism.

Q. Do you think that the Soviet Union has a nuclear advantage at the present time, today?

A. I think it is very hard for any, even the most qualified of objective observers, to make the kind of value judgments your question anticipates. I think, basically, most of the experts accept that we are at a point of relative balance and equivalence. But these same experts are gravely concerned that the momentum in the Soviet nuclear building program is such that in a very brief period, perhaps by the middle of this coming decade, that equality will shift rapidly to Soviet superiority. This is a matter of grave concern to all of us and certainly to President Reagan, who as you know, has dedicated himself to a substantial buildup in American capabilities, not exclusively in the nuclear area, of course.

Q. But the United States, are you seeking nuclear parity or do you want to recover superiority?

A. I think these terms, superiority, number one, equality, generate emotional responses from well-meaning people that suggest to me that they can be counterproductive. They are much like the term "domino theory" of a few years ago, as we refer to the events in Southeast Asia.

I think what we need is adequacy in the context of Western capabilities. Adequacy means that we can effectively counterbalance Soviet existing inventories and, above all, that we make it clear that a preemptive first-strike on the part of the Soviet Union would result in unacceptable risks to their leadership so they would never consider the advantages of such a strike.

Q. Just today, you had talks with the French Foreign Minister, Mr. Jean Francois-Poncet. How do you judge France as an ally and as a partner of the United States?

A. As you probably know, I have always viewed the contributions of France to Western, and allied, security as irreplaceable, fundamental. I have always viewed American-French bilateral relationships as vitally important in the broader sense of international stability. I have also always said that we Americans, and the allies as a whole, today derive some benefit from the independent character of the French contribution.

I have commented recently on the French strategic view, which has been somewhat more foresighted in the African Continent in the developments in the Third World, and I would hope that we would all learn some lessons and attempt to emulate that French concern.

Q. So you find that French efforts in the defense area are satisfactory, at least in your view?

A. I have been encouraged in recent years, as I watched first-hand, at considerable sacrifice to the French people, the determination of the Government of France to improve its defense capabilities at a time when Soviet capabilities are growing dramatically.

I think it is important and significant that today France and the United States view certain key areas with a commonality of concern—Afghanistan, potential difficulties in Poland, even the diplomatic conduct of the conference in Madrid. All of this is very encouraging to me. And it was clear from my discussions today with your Foreign Minister that this is so.

Q. Questions like Afghanistan, Poland—do you feel that the French positions and the U.S. positions are very close together in these areas?

A. Yes, I do. I think they are completely in concert.

Q. At the same time, you do accept that the French insist on being partners, who insist on equality and independence?

A. Yes, I do, and I recognize that this affords a degree of benefit through an alliance that is made up of sovereign nations. We are not a monolith. It is one of the great strengths, even though at times it is a vexing reality as well. But I think it is far more of a strength than it is a disadvantage.

Q. As for example, France, while condemning certain Soviet initiatives, wishes to continue having direct dialogue with Moscow. This does not bother you, from your standpoint?

A. No, not at all. I think it's vitally important that not only France but other powers of Europe, as well as the United States, maintain a dialogue with the East. On the other hand, I would hope that as a result of improving consultations, that that dialogue would have a consistency or at least not create contradictions in our overall ability to deal with this very dangerous situation. I am optimistic about that.

Q. Aren't you presenting relations between France and the United States a little bit like something out of *Alice in Wonderland*?

A. I'm not so sure. The *Alice in Wonderland* label would apply perhaps to East-West relations on occasion, have never found them to be characteristic of French-American relations. You could cite differences that exist between our two governments in the Middle East, for example. It's natural that our perceptions and sometimes our evaluations will differ. But in that context, I would hope those differences would result in complicating the peace process in the Middle East. I'm optimistic that they will not if we stay in close consultation.

Q. But, for example, in a case of serious tension, do you have fears or doubts as far as France's behavior is concerned?

A. None whatsoever. I have been through sufficient international crises during my tenure in Europe, and I am enough of a student of history to understand that France, first and foremost, is willing to bear the burdens of its nationhood and will defend its national interests with all the vigor one could muster.

Q. There is nothing special that needs improvement in the relationship between France and the United States?

A. I think we have many areas desired improvement. For example, mentioned one, that our perceptions of the Middle East differ somewhat. At the same time, both of us would benefit from more intense dialogue.

Q. Should the United States have as an idea in its foreign policy—in other words, since a general is at the head of the State Department, are you going to have a "big stick" type of policy? This is at least the image of U.S. foreign policy now that many people in Europe seem to have.

News Conference With British Secretary

Secretary Haig held a news conference with members of the British press in the Department of State on February 24, 1981.

I am pleased to have this opportunity to speak to what is essentially our press corps, I assume. I think, first, I should make some general comments about the nature of the visit of the Prime Minister and Foreign Minister to reaffirm what has already been said—that these were very productive meetings, both at the Minister and Presidential level. This morning, at considerable length, our discussions with Foreign Secretary Peter Carrington. I want you to know that these meetings leave the impression, at least, with the feeling that the special relationship of generations between Great Britain and the United States is in very good, sound health. The major strategic issues that have arisen of a multilateral and bilateral character, we are in essential agreement with respect to objectives, although there may be, as one would expect and welcome, differences in emphasis in some narrow areas on some

I understand that one of my questions might bring forth those points, but I think also that one who has participated personally in two of my lifetime recognizes the great importance that anguishing human consequences of conflict bring to the mix of a heightened concern and a sensitive feel for the need for keeping efforts and international cooperation but they also bring forth a sensitivity to the consequences of unpredictedness and weakness, vacillation, inconsistency. If that is "big" and I am afraid the arsenal is out.

Do you're not a hawk?"

I think these labels are somewhat misleading. I have no doubt that if you be a hawk or a dove, you seek the same thing—peace. The question is how best to achieve it. And I believe that our strength is the most important guarantee of our ability to maintain international peace and stability.

narrow issues. We would expect this between sovereign nations whose independence is inherent in their nationhood. Having said that, I say it really to underline the fact rather than to emphasize the reality.

The discussions this morning were very broad-ranging, involving every region of the globe—the special alliances that exist globally with a strong focus, of course, on NATO; discussions on the recent problems in this hemisphere; discussions focused on Africa, the Middle East, Southeast Asia, China, Pacific—you name it; some other functional areas of bilateral interest between us.

Clearly, the issue in Poland, Afghanistan, and East-West relations in general were topics of major discussion and exchange. In these areas I can assure you that there was complete and total accord.

I think it's important that this meeting took place very early on in this Administration. As you know, we have had some attention to our hemispheric northern neighbors and southern neighbors. But the first European discussions of this character have taken place with Great Britain, with the Head of State or Head of Government. That's as it should be, and it's traditional.

Having said all this, now I welcome your questions on any topic that you would care to raise, recognizing that I will be my usual, specious self. [Laughter]

Q. You mentioned that there were some specific areas of disagreement. I wonder if you can tell us what meeting of minds there was on the Middle East, and particularly on the European initiative there.

A. I don't even like to use the term "European initiative." I would prefer to approach the subject with the recognition that clearly our European partners have a vital interest in the Middle East situation, the Arab-Israeli dispute, and other ongoing problem areas. And it is natural and to be anticipated that they would have a view.

I think the discussions today clearly indicated that the objectives of European involvement in this area of the world coincide with our own objectives in the broad sense of the term. It is our hope, of course, that whatever our Euro-

pean partners do in this area not complicate nor necessarily put obstacles in the way of what has been ongoing discussions for a period of years.

I'm not a novice on this. I started out with the period before shuttle diplomacy, lived through it, witnessed events leading up to the peace treaty here under the Carter Administration—referred to as the Camp David accords. We continue to be vitally interested and intend to be active in this process in accordance with U.N. Resolutions 242 and 338. We would hope that what our European partners feel they contribute to this—and, clearly, they can—not result in complicating this process. These things were discussed in some detail this morning, and I don't anticipate a problem.

Q. Your allies are known to be concerned about the possibility of America embroiling itself more deeply in El Salvador. Do you think that the Europeans, in your view, understand the seriousness of the situation there?

A. Yes, but I think there is a level of communication that has not been achieved to the point where they share our views completely. The reasons for that are simply that we have not brought this matter to our partners' attention through the consultative process. We have begun. It had not occurred before the trip of Ambassador Eagleburger [U.S. Ambassador to Yugoslavia Lawrence S. Eagleburger] on my behalf starting 2 weeks ago.

As a consequence of those consultations, both bilateral and in the NATO forum and other fora, we have, I think, generally received a full level and a full measure of support as to the nature of the problem—that there is, indeed, irrefutable evidence of sizable Cuban and Eastern intervention in this hemisphere through the provision of arms, training, and other guerrilla-type, guerrilla-supporting activity.

I don't think we've had any difficulty in achieving the consensus there. There may be some exception. But in general those powers with which we consulted were understanding and agreed.

There is a different level of perception. I find most of it in the case of proclamations by those who were not involved in the consultations, suggesting that perhaps there's a difference in our objectives in El Salvador proper with respect to the regime—the El Salvadoran junta or whatever you want to refer to it as—the Duarte government. And I think this is also a problem of lagging communication.

I wouldn't want anyone here to think that we are not very, very concerned about, if you will, the improvements that are necessary in the Salvadoran regime. That means we expect to see progress toward pluralization, toward the achievement and preservation of human rights, toward the rejection of excesses by the right as well as the left. This has been the focal point of American policy in this El Salvadoran situation for the past year.

We had no reason to expect that our European partners would be as attuned to our concerns in this area as I feel the facts would justify. And that's a problem of communications on which we're going to have to work and we're continuing to work.

But in general I'm extremely pleased with the results of the first round of consultation, and it remains to be seen whether we could fill the gap in this other area.

I don't want you ladies and gentlemen to feel that we're wedded to any particular outcome, as long as it's the consequence of the free, independent decision of the people of El Salvador. The first order of business must be to insist that the wholesale provision of external influence on this situation be terminated.

Q. But to achieve that goal, how far is America prepared to go?

A. That's a very good question. I think it suffices to say that we consider Cuban interventionism in this hemisphere on our own doorstep as no longer tolerable, no longer acceptable. Beyond that I think there are a host of vehicles available to us to bring that point forward and, in fact, to insure that it is realized ultimately. I'm not trying to turn your knuckles white. [Laughter]

Q. Do you think your allies have a clear understanding of what your policy is and what you are likely to do if pressed?

A. I think they have a clear understanding that the actions underway and undertaken by Cuba are unacceptable. We're in the process of considering the number of options through which to deal with that problem. So, of course, they don't know because we haven't arrived at any decisions on our own part.

Q. Are you asking the allies to do anything beyond give verbal support to the U.S. position at this point?

A. No, we're not asking it. We have reminded them that what is occurring here in this hemisphere is of vital interest to them as well as to us. We have seen this kind of activity take place wholesale in the continent of Africa, which many of our European partners can feel somewhat more concerned about perhaps. But I would suggest that this is a global level of unacceptable conduct, managed in general by the Soviet Union and applied in specific cases by their proxies.

Q. One of your predecessors used the term "no longer acceptable" or "unacceptable," speaking about the Russian presence in Cuba. Are you worried at all that using this kind of wording puts you in a problem of having to do something about it now?

A. I think ultimately that, of course, remains to be seen. If one uses that language, it clearly is a manifestation of a decision to deal with the problem; and we intend to.

Q. There seemed to be a slight difference in the language employed by the Prime Minister this morning in her interview with CBS in which, instead of speaking generally about the statement which had been issued by the Foreign Commonwealth Office before she left London, she did speak about the importance of allowing the citizens of El Salvador to sort out their own problems without intervention from outside. Then she went on to specify arms supplies to the guerrillas. But it seemed that the use of the words "intervention from outside" might very well apply to the U.S. advisers—or whatever you might have in mind. Did you feel that was her meaning?

A. No, I would not have anticipated that was her meaning. I wouldn't presume to speak for the Prime Minister; she's more than capable of speaking for herself. I've known that for a number of years, and I admire her ability to do so. But I think it's important that we keep in mind that there was no decision, there was no military assistance to the Government of El Salvador by the American Government until the final stages of the Carter Administration, and in the wake of the major guerrilla offensive during which the Cuban arms involvement, Soviet and Eastern European involvement, began to surface.

It would hardly be appropriate to describe American activity thus far as "intervention in the internal affairs of El

Salvador"—precisely the opposite. A matter of fact, many of you ladies and gentlemen, many of the critics of a Salvadoran policy, are insisting that be somewhat more hyperactive in involvement.

So I don't think that was the intention of the Prime Minister this morning because we have not added but one to the presence down there in the context of increased involvement since Carter period.

We are considering now a number of options which are designed to be such that the regime can survive to apply democratic reforms we are seeking, realize the will of the El Salvadoran people free from external intimidation pressure.

Q. I think the interpretation of some people were placing on her words was not a criticism of what going on now but the possibility that you might be going to introduce large numbers of advisers.

A. There was absolutely nothing in the discussions held over the past 24 hours that would suggest that that was the intent of the Prime Minister's remark but she will have to speak for herself.

Q. To what extent would you accept a back-off by the Soviet Union and Cuba from supplying El Salvador arms to the holding of a summit with Mr. Brezhnev or possible talks about talks starting the SALT process or resuming the theater nuclear discussions?

A. I think it's very important to clarify when we surface the term "linkage" and you're referring to linkage—that's not misread the American view of the phenomenon which we consider to be a reality, whether we claim it to be or not. We have to be consistent in the sense we believe it is a reality. Therefore, we insist that it exists.

Whenever in the history of relations between states has there been a voice of linkage? It must be there; it is there is a fact of life.

Having said that and espousing ourselves as advocates of linkage, or having portrayed ourselves as advocates of linkage, I would not want to suggest that what we're talking about is a mechanistic scorekeeping, day-to-day rundown of explicit reciprocity.

What we are talking about is a general Soviet demeanor in the international environment which clearly is devoted to the kind of excess illegal activity we

sed in recent months and years
g in Africa, Angola, Ethiopia,
n Yemen, northern Yemen, cer-
Kampuchea, unquestionably Af-
an, and now, more recently, here
own hemisphere.

is our view that you cannot pro-
functional areas of relationships
the Soviet Union across the broad
m of functional areas—trade,
technology transfer, agricultural
s, or arms limitations—until a
of greater reciprocity and
it is evident. That's without put-
coreboard up or suggesting arms
talks. More importantly, negotia-
cannot proceed without an abso-
ean slate. What we're talking
modifications in the current con-
Soviet activity abroad.

**Could you just be a little bit
ecise about the summit?
ou want to see this change in
demeanor discussed at the
or would it have to take place**

think what is important is not
timata on the table with respect
n ity. I think it's more important
e what our approach to sum-
ould be. What President Reagan
and reiterated on several oc-
sure his views with respect to it.
r, we clearly expect, anticipate,
ome talks between ourselves
n Soviet Union in the number of
functional and important difference
e touched upon.

When it comes to summitry, I think
President's view—and I think
him accurately, and it hap-
coincide with my own personal
at summitry is a very special
diplomacy. It requires detailed,
reparation. It should not be
less unless the prospects for suc-
the outcome of such summitry
ising because of that detailed
erely to have heads of state and
ment meet just to be meeting or
ead such meetings resulting in
ation is clearly—and we've had
exes with this in the past—
self-defeating in the extreme,
ntend to avoid it.

**Would it be fair then to say
the summit cannot take place un-
 Soviets show this pattern of
behavior around the world?**

A. It would be fair to suggest that
merican contemplation of future
ity is going to be materially in-
ce by our assessment of corre-

sponding Soviet global activity and that
that assessment will clearly precede the
summitry.

**Q. Did anything helpful emerge in
these discussions in the way of Euro-
pean help with the American desire to
strengthen the ability to influence and
protect the areas in the Middle East
and Persian Gulf where the oil comes
from?**

A. I think it's important that I por-
tray our discussions accurately. Clearly,
we've discussed in detail the Middle
East, its strategic importance to the
West at large, and, from the standpoint
of our mutual interests, we discussed it
from the standpoint of Arab-Israeli dif-
ferences; we discussed it from the stand-
point of energy needs of the West; and
we discussed it, perhaps even more im-
portantly, from the standpoint of broad
strategic concerns—and that involves
the activities of the Soviet Union and
Afghanistan, potential involvement
elsewhere, and increased capability to
project their power into that area. All of
these things are interrelated and, I
think, require a very careful degree of
synchronization.

Someone said, "Are you putting one
in priority over the other?" The answer
to that is "No, but they must be dealt
with in tandem and in parallel and with
coherence, one with the other."

**Q. Did the subject of these guns
of Northern Ireland come up in your
discussions with Lord Carrington?**

A. Of guns?

**Q. There's an outstanding British
request for some handguns for the
Northern Ireland police which were
held up.**

A. I'm aware of that issue. There
was no specific discussion that I partici-
pated in, but it does not mean to sug-
gest there will not be.

**Q. What broadly did you tell Lord
Carrington about the likely course of
U.S. policy toward Namibia? Will you
pursue the five-power initiative which
is currently languishing?**

A. There were discussions held both
between the Prime Minister and the
President and Mr. Carrington and
myself. Clearly, we are in the process
now in this Administration, which has
been here a very brief period of time, of
assessing our overall future policies in
southern Africa and on the African Con-
tinent as a whole. I don't think we're far

enough along in that assessment to go
beyond that simple statement. Clearly,
we're very much aware of the ongoing
events there—the Geneva conference
that took place recently and upcoming
discussions in the United Nations. We
would hope that all parties concerned,
including our British partners, would
give us an opportunity to conclude our
assessments.

**Q. Did you discuss the cost-
effectiveness of NATO, especially in
Europe, and could you say what kind
of reaction you got to recent sugges-
tions that America would like the
European countries to increase their
spending on NATO?**

A. I would be misleading you were I
to suggest that we got into detailed
discussions on cost-effectiveness with
respect to NATO. I also want to em-
phasize that our concerns—this Ad-
ministration's concerns—do not involve
or are not focused exclusively and do
not involve preoccupation with the
burden-sharing issue and the failure of
our Western European partners to do
enough.

Our concern is that none of us is
doing enough. I left Europe with that
fundamental impression, despite the fact
that there have been some improve-
ments. I was encouraged by those im-
provements.

I think any assessment of East-West
balances today, both within the NATO
framework and globally, suggest that
each of us is going to have to continue
to bear what is an extremely onerous
burden of high defense spending. All of
the other objectives that we are seeking
to achieve today, together and unilater-
ally, are going to be influenced by our
willingness and ability to keep an accept-
able balance between East and West in
military capability. That balance has
been trending in a worrisome direction—
or that lack of balance, depending on
how precise you want to be.

You see, I have been "safforized"
and "time-a-sized" [laughter] and
"London-sized," and so I have to be
very, very careful about my ingenuity
with the mother tongue. [Laughter]

**Q. Are you looking for a wider
role for NATO outside present
geographical limits?**

A. I've discussed this issue at
length. As recently as I think a year
ago, I submitted a paper to the con-
ference that our Strategic Studies In-
stitute had in Brussels. I pointed out the
following: Whether we in the West like

The Secretary

it or not, NATO is going to be increasingly influenced by events occurring outside its geographic borders. Whether we like it or not, that is a fact of life. I said that some 6 years ago to the horror of some of my NATO compatriots, and I've said it repeatedly ever since. I think historic events would underline that it was a correct statement.

Now, did I mean by that that I'm suggesting and have I ever suggested or does this Administration propose that the formal borders of the alliance—and I'm not including in that the minor adjustments in the naval areas, which I think are far more manageable if we'd get to it, but I'm talking in a broader sense—that we should be seeking the objective of dramatically broadening the perspective of the alliance?

My answer to that is it is not politically feasible. And I do not anticipate it in the near term. But I do welcome, and I do believe, that the NATO Secretary General's overwatch brief should be expanded, that consultations should occur throughout on troubled areas throughout the globe. And I'm pleased to say that this is increasingly the case.

I've also suggested that when NATO is unwilling or unable to conduct these discussions and these consultations within the 15, they must not and cannot be expected to have a right to complain when others use other fora to do that.

Q. You say it's not politically feasible. Are you talking about expanding the membership of the allies or are you saying that it is not politically feasible at all now or a little bit later?

A. No. I meant not in the membership area at all. Clearly, we have some expansion objectives there that we'd like to see.

I'm talking about the geographic planning and military coordination responsibilities for the alliance and political consultation, formal responsibilities beyond the borders of NATO into perhaps the Persian Gulf or the Middle East or Africa or wherever else you may be concerned.

Q. Have you had time to consider the point that Mr. Geoffrey Pattie made at the Munich conference recently where he suggested that some form of NATO presence shall be stationed outside the geographical area?

A. As I say, I am not horrified nor am I chagrined. In fact, I welcome such innovative suggestions because I think it's vitally important that NATO recog-

nize that we cannot take an ostrich attitude with respect to events occurring—and especially illegal Soviet interventionisms outside the confines of the formal borders of the alliance.

Q. There is nothing, of course, to stop individual NATO nations taking initiatives in that direction.

A. Not at all.

Q. Are you more hopeful about the possibilities of that?

A. Yes. I would anticipate, if the fact from the current state of affairs is clear, that we have experienced in the West a number of setbacks recently of some consequence to our vital interests. I would anticipate discussions and I would hope concerted action by nations immediately threatened and those Western European and North American—and perhaps Asian—powers which have a vital interest as well.

One of the great problems with the NATO forum is that each of our nations has a different stake in the outcome of one of these Third World crisis areas. And so the problem of developing a consensus is always an anguishing one and sometimes an impossible one.

Q. With Lord Carrington, was any concern raised about possible cuts in U.S. foreign aid to Third World countries?

A. We did not discuss this, but I'm happy to do so because I had a press conference this morning in the White House on this subject that seemed to range far and wide from that topic. But we've just completed a very detailed assessment in compliance with our responsibilities for the President's economic program. It's resulted in some sharp retrenchments—about \$1.8 billion retrenchment in the fiscal year 1982 program. And that would be about a 26% cut overall. We've done this because we feel that we have got to be participants in this vitally important objective of President Reagan. We've done it because we believe we cannot exercise adequately and appropriately American leadership and influence abroad if we are perceived to be unable to manage our internal economy.

I've spent 4½ years in Europe, and I can assure you that the declining value of the American dollar was not driven exclusively by fiscal imperatives. It reflected a number of other influences, one of which was the perception abroad and

the declining level in confidence that Americans had enough discipline left pull up our socks and get our runaway double-digit inflation under control, get our productivity back on the track to become competitive with our goods abroad to the degree that we're capable with our high levels of technology, and to manage our energy problem both through conservation and alternate sources effectively.

I think this is a fundamental aspect for America, just as it is for Great Britain, if we intend to be major participants in the world scene and to have influence felt. And so we are participating in that.

But having said that, I can assure you we're going to meet all of our commitments to both the multinational banks and all of our commitments to bilateral partners. In fact, in the area of bilateral aid I would anticipate some increase in the period ahead while we are experiencing some retrenchment, relying primarily from stretch-out of payments, while meeting those payments ultimately in the multinational obligations we have. I hope I've answered your question without hoisting myself by my own petard.

Q. Are you going to the Middle East soon?

A. I hope to make a visit in the near future.

Q. This year?

A. Yes.

¹ Press release 54. ■

Secretary Haig Discusses Foreign Assistance

Secretary Haig made the following remarks to reporters at the Old Executive Office Building on February 27,

and to take just a few minutes to talk about the overall subject of foreign assistance and our approach to participation in the President's economic program which we consider to be vital.

As you know, foreign assistance is a major budgetary item on our government budget. But it is an important one, important in the light of our objectives abroad—human and developmental—and the light of vital U.S. interests as well. I have in the Department of State, very, very close consultation with Mr. Stockman [David Stockman, Director of the Office of Management and Enterprise] and his team, attempted to make an effort which we think is vital to ensure that our reductions in the program are across-the-board. That's the way we have moved, with the understanding that I'll touch upon.

I'm happy to note that the Department of State is carrying its share of the burden. For example, for 1982 we will achieve a reduction of \$1.8 billion, or a 26% reduction in total foreign aid allocation; the cuts that are of such current concern and the focus of such attention. We're going to be able to do that as a result of an intense effort in the Department over the last 4 weeks in such a way that we will honor all of the commitments that the United States has made in our multinational or multi-lateral arrangements and in our bilateral arrangements with a number of governments.

As we're going to be able, we are committed to preserve the humanitarian and developmental objectives of our overall program. And most importantly of all, we consider that we'll be able to meet the strategic objectives of the program for which the aid program is conducted, on behalf of which we anticipate that this is going to be the reductions that I've talked about—improved management of our assistance programs, the elimination of a number of "nice to have" but not essential items, and in some instan-

ces the stretching out of obligatory payments within overall commitments that we found existed at the time we assumed responsibility.

With respect to the last point—stretching out—I want to emphasize that we are in an evolutionary way tending toward greater emphasis on bilateral rather than multilateral assistance. Now we hope to do that, I emphasize again, in an evolutionary not a revolutionary way. That doesn't mean we're turning our backs on multilateral lending institutions and assistance institutions, hardly at all.

But it's been our experience that we achieve greater precision and greater value to the American taxpayers if we emphasize bilateral assistance.

This happens also to be very consistent with the Republican Party platform adopted and voted for by the American people. Why have we accepted this reduced burden, recognizing that foreign assistance has been the focal point of reductions for the previous administration, recognizing that in a post-Vietnam America there has been great reluctance to indulge in the kind of hyperactivity in assistance programs that we had witnessed since the end of the Second World War?

We're doing this first and foremost because it's our conviction in the Department of State that the overall effectiveness of the American foreign policy is intimately related to this nation's ability to manage its internal domestic economic affairs with discipline and with effectiveness. As one who sat abroad for 5 years and watched the growing malaise in our economy begin to influence the effectiveness of our international leadership—and I'm talking about such issues as runaway double-digit inflation, declining productivity, declining competitiveness of American goods abroad, and what was perceived to be by our foreign friends as an inability to manage effectively our energy program. All had a severe impact on America's ability to influence vital national interests abroad, certainly were a contributory to the declining value of the U.S. dollar, and, in some instances, foreign nations perceived for one reason or another that we were literally managing some of these problems to result in placing the burden in energy and inflation on their shoulders.

And so I consider that the American program and President Reagan's program to get our economy back on the track once again is not only of vital interest to domestic American interests, but it has a profound impact on America's effectiveness abroad.

Q. You didn't mention the elimination or cutting of embassy personnel as part of your budget-cutting procedure, and yet there were 20 people removed from the embassy in Nicaragua yesterday or Wednesday. Is this part of a budget cut, or is this part of your attempt to put pressure on the Government of Nicaragua to stop the flow of arms to El Salvador?

A. It's neither. I don't have to tell you that we have made it very clear to the Government of Nicaragua that the current level of aid to that government and the residual aid left that might be available to them is going to be subject to their adherence to American law, and that law provides that we cannot provide such assistance to governments that are actively involved in the exportation of terrorism and the support of aggression abroad. And that is an issue which we know today that the Government of Nicaragua is, indeed, in violation of. We've been in a studied dialogue with them with respect to it, and we're watching the situation very, very carefully. In the meantime, we're making appropriate adjustments that might be necessary should such a decision to terminate aid to Nicaragua be called for.

Q. How does that affect the aid levels for El Salvador, the budget cut?

A. Now, you know, there's been a lot of talk about El Salvador. I sometimes get up in the morning and read the press and wonder if I'm living in the same world that's being reported on. There has been no additional assistance provided to the Government of El Salvador. None. We merely are presiding over distribution of additional military assistance decided by President Carter's Administration before he left town. And I think it's awfully important that we understand that as we start to speculate about what is on the agenda of American activity in El Salvador.

First and foremost, let me emphasize to you that our problem with El Salvador is external intervention in the internal affairs of a sovereign nation in this hemisphere—nothing more, nothing less. That is the essential problem we're dealing with.

The Secretary

In dealing with that problem, we're going to continue with levels of assistance determined as absolutely essential by the Carter Administration and our country team. And I recognize there are some differences with respect to assessments on the ground by various American representatives. That's to be expected and, indeed, is welcomed.

Secondly, our first priority for El Salvador itself is the pluralization, if you will, of that society but its own internal devices and reflective of the will of the people of El Salvador, not by some external vision of how they should best align themselves.

We have moved to help them in economic support. The current regime in El Salvador has moved on land reform and a number of other reforms. It has promised an election in 1983, all of which we welcome. That does not mean that we are comfortable with the current level of social reform in that government, not at all. It does not mean that we have abandoned our desire to assist in whatever way we can in assuring such social reform occurs within the overall environment in which a country is now being plagued by externally supported subversion through the provision of arms, assistance, communications, and a host of other illegal activities being conducted through Nicaragua, some other Central American countries, managed essentially by the Government of Cuba, similar to the activities we've seen in Angola, Ethiopia, Southern Yemen, Northern Yemen. And it seems that we have created a misinterpretation of the—

Q. I'm going to continue with—

A. First I see no definitive evidence of a real cessation in Cuban activity in the hemisphere. We have seen some shifting of the tempo that was very evident 3 to 4 weeks ago before we raised the issue. That's a question yet to be resolved by our own assessments and evidence that we can pick up.

With respect to El Salvador, and I didn't hit upon that in my comment, we are now considering whether or not a modest increase to the Carter program is called for. It has been recommended by our country team. It has been asked for by the Government of El Salvador.

With respect to Cuban arm shipments, there is still conflicting evidence. There is evidence to suggest there are still vast amounts yet to be moved, and there's a great deal of activity designed to move it. There's great concern about the so-called wet season—I guess we've

heard that term before—and the need to get arms that have been provided in country or into neighboring countries. And there are reports of even larger shipments yet underway. All of this is being very, very carefully watched.

Q. Can you just stand by and let those shipments be moved, or do you have to take action against the Cubans to prevent it?

A. I think we have made it very clear from the outset that this is a problem emanating, first and foremost, from Cuba and that it is our intention to deal with this matter at its source.

Q. But the evidence suggests that the government forces are rather handily putting down the rebel opposition and have since the rebel December offensive failed. And if that is correct, is there any need to send American advisers, in any number, to El Salvador?

A. The question is first, has the offensive of January—was it a defensive defeat for the rebels?

Q. Is it correct that government forces have been and are now effectively winning or putting down the rebellion?

A. I think that question is highly speculative, in some instances subjective to the extreme. Evidence does not suggest that the insurgency is under control. Evidence does suggest that the all-out attack, which the rebels executed in January, was, in essence, a failure.

It was a failure first and foremost because, contrary to their hopes, the Salvadoran people did not rally around the rebels, and they remained rather, I would say, disinterested in the so-called revolution. It doesn't mean they're comfortable with their current plight, hardly at all.

Q. Are American military advisers, in any number, necessary to be sent to El Salvador?

A. Let's be very careful there too, because I've seen reports that there is some consideration of providing military advisers; and there is no intention—there's been no discussion of it, and there's been no consideration of it.

There have been considerations of whether or not our military training teams in specific functional areas are adequate to the needs of the security forces of El Salvador. The government there would like some assistance, and we are considering the pros and cons of providing that kind of assistance. But we are not talking about advisers.

Q. What is the difference?

A. I would view an adviser as someone who operates with forces, who are engaged or in potential engagement, distinct from technical teams that teach people how to fly helicopters, how to conduct surveillance, and other related activities.

I think you're going to have to go back to the budget. I'd hoped and prayed that someone might ask me a budget question this morning.

Q. Can I miss the budget once more around? You talk about our intention to deal with this problem at the source. So far there's been no more than a rhetorical offensive against Cuba. What else do you have in mind?

A. If I've ever learned anything, the sterility of standing in front of the American press and laying out what I intend to do in contingencies. It immediately launches a domestic debate which prohibits you from even considering options you might have been considering, and I'm not going to do that today.

Q. Could we clear up one point mentioned, because it seems to conflict with what was said yesterday? You suggested that other assessments of the situation in El Salvador were expectable and welcome. That seems to suggest that you feel much more comfortable with the testimony of Ambassador White [Robert E. White, former U.S. Ambassador to El Salvador] than the State Department's spokesman and others in the Administration.

A. Hardly at all. We think the testimony of Ambassador White and consulted advice to us for an extended period does not jive with our own assessments and the assessments of other specialists we've had in the area don't mean to portray that as some kind of a dramatic departure of difference, but there are differences in nuance that made it necessary for us to make a change down there, and I think you know this has been a longstanding problem. I'm very happy with the consequences. I'm also delighted that those who have differing views express those views.

Q. You're not concerned that he spoke out as he did before Congress?

A. I don't know what you mean by concerned.

6. Strategic Minerals Dependency

Michael Calingaert

Statement before the Subcommittee on Science, Technology, and Space of the Committee on Commerce, Science, and Transportation on March 2, 1981. Michael Calingaert is Deputy Assistant Secretary for Economic and Business

Michael Calingaert testified before this subcommittee on the impact of possible importations of strategic materials and their supplies and the implications of the National Materials and Minerals Research and Development Act (PL 96-479).

Promoting the continued availability of mineral raw materials at reasonable prices for domestic industry and defense is an important objective of our foreign policy. The Department of State is currently participating in a National Security Council-directed study of U.S. dependence on foreign sources of minerals. The results of that effort are expected to provide useful inputs to the activities of other agencies related to implementation of the National Materials and Minerals Policy, Research and Development Act of 1980. In addition, the Department of State plays a central role in coordinating foreign minerals development, representing the minerals interests of the United States abroad, assessing potential mineral problems, and responding to any problems which might arise.

The Department of State was assigned specific responsibilities under the National Materials and Minerals Research and Development Act. Nevertheless, we are participating in the interagency Mineral Information Coordinating Committee, which was established by Presidential directive and is chaired by the Department of the

Interior to perform some of the actions required of it by the act. Through its membership on the Committee on Materials (COMAT), State participated in the Department of Commerce decision to select the aerospace industry as a specific case for examination under the act. The Department of Defense has invited us to participate informally in its activities in response to the act, and we are prepared to provide support to the Executive Office of the President if it is requested.

U.S. Minerals Position

Before discussing the implications of dependence, I would like to place our minerals situation in perspective. According to recent estimates by the Bureau of Mines, in 1980 the United States imported \$5 billion worth of mineral raw materials, while domestic mineral raw materials production was valued at \$25 billion and exports were valued at \$6 billion. Thus we imported 21% of our basic raw material requirements in value terms and were net exporters. Our European allies imported about 80% of their needs, and Japan imported around 95% of its requirements.

Domestic and imported mineral raw materials plus reclaimed materials were used to produce processed materials of mineral origin valued at \$240 billion. In addition, the United States imported \$25 billion worth of processed materials. On the other hand, exports of processed materials of mineral origin were valued at \$23 billion. Thus, the United States had a trade deficit of about \$1 billion overall in the mineral and mineral materials area in 1980.

Dependence and Vulnerability

While the aggregate situation is quite favorable, there are some materials where dependence is very high. The Bureau of Mines reported 19 minerals and metals with import-consumption ratios of 50% or more in 1979, and for 10 of those materials the ratio was 90% or higher. Nevertheless, this dependence does not necessarily translate into vulnerability.

Given current materials use patterns and the geological occurrence of minerals, autarky in minerals supply is clearly unachievable for the United States.

However, there are means of reducing the risks of dependency, even when the degree of dependency is high.

One means of risk reduction is dependence on a stable source of supply. Here the United States is fortunate in that Canada is our largest supplier of mineral raw materials and processed materials of mineral origin, accounting for nearly 25% of total imports. Canada is our major import source for asbestos, gold, iron ore, nickel, potash, tungsten, and zinc. Except for iron ore, our import dependence for these materials exceeds 50%. Australia and Mexico are also significant supply sources for the United States.

Another method is to spread the risks through diversification of supply sources. Some examples in this category are bauxite and alumina, cadmium, mercury, and tungsten. In 1979 we imported bauxite and alumina from more than 10 countries, cadmium from 19 countries, mercury from 9 countries, and our tungsten imports came from 20 countries.

The U.S. Government holds excess stocks of some materials which could provide alternative supplies should normal supplies be disrupted. For example, the national defense stockpile contains inventories exceeding the established goals for industrial diamonds, mica, quartz, silver, tin, and tungsten. There are also materials that are excess to programs of U.S. Government agencies which may be sold by the General Services Administration, such as mercury and lithium hydroxide from Department of Energy stocks.

Minerals Supply

I would like to discuss two separate issues in the context of minerals supply—supply disruptions and adequate investment to insure future supplies. In relation to this second issue I would also like to comment briefly on the seabed as a future source of minerals supply.

Situations that might cause interruptions in supply include civil disorder, strikes, unilateral political actions, regional hostilities, and natural disasters. A supply disruption is most serious when it affects a major supplier of a mineral for which we are vulnerable due to high import dependence and a small number of suppliers.

The spokesman yesterday expressed a great deal of concern about the State Department.

I think the individual concerned has every right to express his views, and every right to assess those views. We have and to take appropriate action with respect to them which

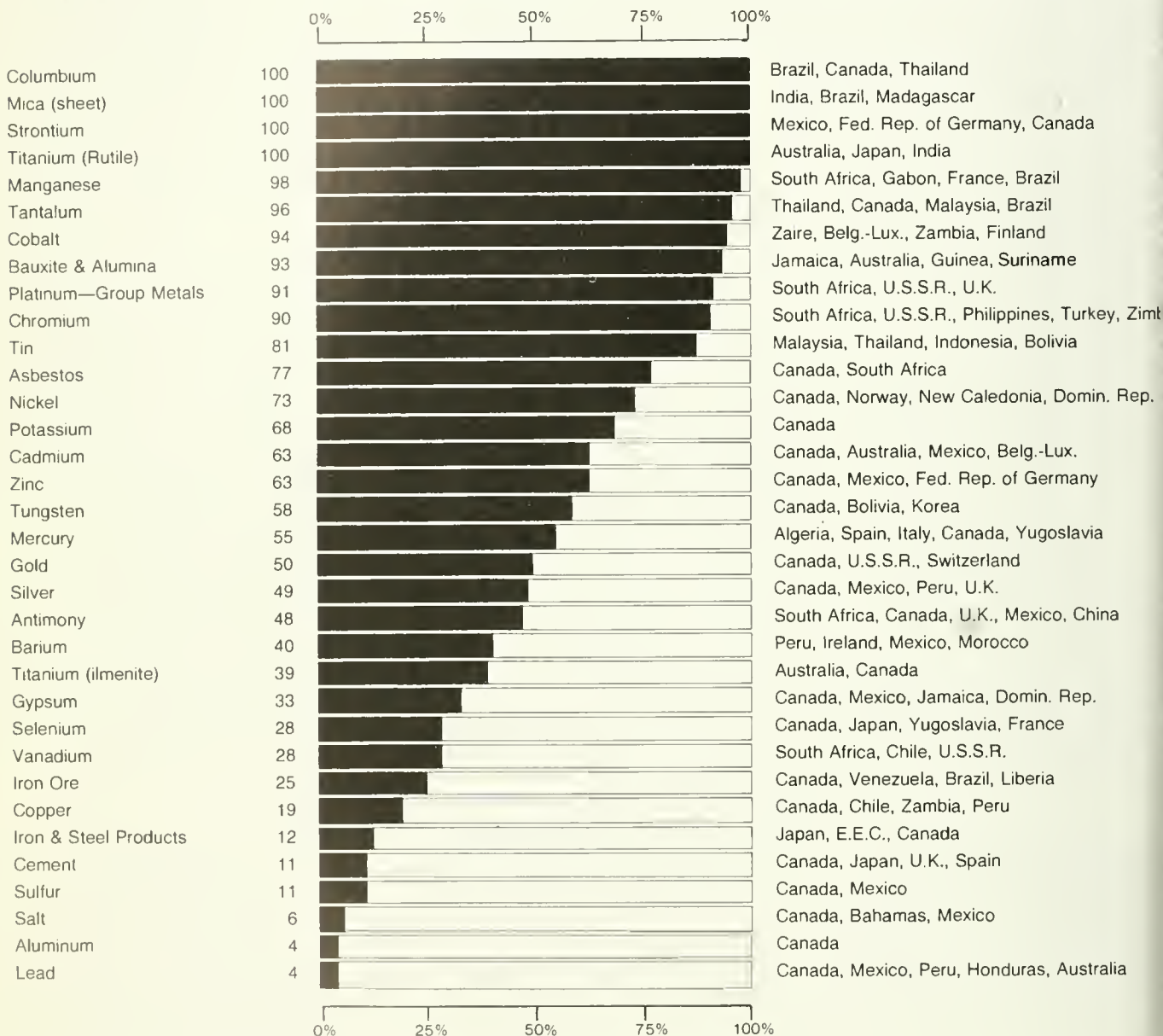
Economics

U.S. Minerals Dependency, 1979

MINERALS AND METALS

% OF APPARENT CONSUMPTION

MAJOR FOREIGN SOURCES¹ (1975-78)



¹ Sources are points of shipment to the U.S. and are not necessarily the initial sources of the material.

Source: U.S. Department of the Interior.

Security and Development Assistance

Secretary Haig

Statement before the Senate Foreign Relations Committee on March 19, 1981.¹

It is a great honor to appear before the Foreign Relations Committee as Secretary of State. As members of this committee, you are aware that the conduct of foreign policy and exercise of the use of force requires many tools. It is the purpose of one of these tools—security and development assistance—that is the subject for discussion today.

Security and development assistance can be seen in the context of the international challenges that confront us in foreign policy we have devised to overcome them. Today's world presents the United States with three distinct trends. First, power is diffused widely among many nations and we are prepared to use violence to achieve our ends. Second, we and our allies are now more vulnerable to international unrest and violent change. Third, and most dangerous, the growth of military power is now capable of supporting an imperial foreign policy. The last trend is most alarming. Adventurism in the Horn, in Asia, in the Persian Gulf, and in sub-Saharan Africa appears to conform to a common ominous objective: to strike blows on or near the vital lines of the West.

The depressed world economic condition is equally familiar to you. The high cost of oil has been a punishing blow to all nations. It has been particularly crippling to the developing nations. It is estimated that developing nations paid \$50 to \$60 billion in 1980 for oil imports. Adding to this is another \$50 to \$60 billion in deficits. All of this comes at a time when the world population will increase by almost 20 years—from 4.4 billion in 1979 to over 6.3 billion by the end of the century, with 90% of this increase in the poorest countries. The economic dislocations of this magnitude create conditions for violent disruptions, and dangerous political consequences.

U.S. Response

Our response to these challenges must incorporate several elements if we are to advance our international objectives. We require:

- A strong, prosperous, and productive American economy, because we can do little to help others if we are disabled ourselves;
- An American defense posture that restores the confidence and determination of friends and that deters adversaries from pursuing adventures; and
- The resources to protect our international security interests and to promote peace and prosperity abroad.

The President has proposed a far-reaching and dynamic program to restore the health of the American economy. I fully support his proposals. The revised defense budget which the Congress will review in a short time is designed to revitalize our Armed Forces and rebuild our capacity to defend our vital interests.

The third element, resources to promote our security and economic in-

system. This will include efforts to engage the U.S. private sector more fully in the economic development process.

Third, the United States will not forsake its traditional assistance to the needy of this world: the undernourished, the sick, the desperate refugee.

Fourth, there will be neither abrupt nor radical redirection of our international economic policies. Where necessary, policy will be changed in an evolutionary fashion, with minimal disruption and uncertainty.

Fifth, the United States will not abandon institutions and agreements devoted to global economic and political stability. The United States will continue to bear a fair share of the cost to maintain and operate international organizations.

I have asked Jim Buckley [James L. Buckley, Under Secretary for Security Assistance, Science and Technology] to coordinate the allocations of all types of foreign assistance in which the Department is involved. Let me give you an example of what Jim undertook for me in

...in the formulation of economic policy, in the allocation of resources, in decisions on international economic issues, a major determinant will be the need to protect and advance our security.

terests, is the reason for my appearance before this committee today. Before going into the details of the Administration's foreign assistance request, let me say a few words about the general directions of our economic policy and how we will shape assistance programs to complement these policies.

First, in the formulation of economic policy, in the allocation of our resources, in decisions on international economic issues, a major determinant will be the need to protect and advance our security.

Second, we shall continue to work with other countries to maintain an open and accessible international economic

system. We wanted to allocate additional assistance to El Salvador, and Jim worked with the various offices to put together the package of economic support funds, development assistance, PL 480, etc. I see this as entirely consistent with my responsibility, under the President, for overall supervision and direction of our foreign assistance effort.

Security Assistance

I referred a moment ago to the President's proposals for reconstituting America's defense capabilities. Our security assistance program goes hand-in-hand with this effort and must enjoy equal priority. This is because the friend-

ly states we support can themselves help us assure our most vital national interests.

For example, many of our security assistance partners enjoy a geographic proximity to the resources our economy demands. Others possess timely knowledge of complex regional events and are best suited to understand these events and assure that they do not slip beyond responsible control. Finally, many of our partners have military forces trained and experienced in operating in different areas.

As we strengthen these states, we strengthen ourselves and, for the reasons just mentioned, we do so more effectively and at less cost. Friendly states can help to deter threats before they escalate into world-shaking crises. The issue is not whether a local state can singlehandedly resist a Soviet assault. Rather, it is whether it can make that assault more costly, more complicated, and, therefore, potentially less likely to occur.

In practical terms, this means that the air defense system we help a friendly state develop could one day serve as a prepositioned shield under which Western relief forces would move. We hope that day never comes, and all of our efforts are aimed at preventing it. However, in judging the economic value of these programs it is necessary to recognize the connection that frequently exists between today's assistance and tomorrow's needs.

In examining our overall security and defense needs, we have tried to balance the requirement for budgetary stringency with the need to revitalize our international position. From this review we concluded that our national interests demand a significant funding increase for our security assistance programs and at increased levels above fiscal year 1981. The President is requesting that the Congress approve \$4.27 billion in budget authority to finance a total \$6.87 billion security assistance program for FY 1982.

Middle East. Almost 70% of the program for FY 1982 is for the Middle East, with Israel and Egypt as the largest recipients.

Let me say something about the importance of these two countries. The security of Israel remains a major U.S. concern and a binding U.S. commitment. We are determined that Israel retain the

military capability to deter threats from hostile forces. Moreover we recognize the importance of Israel to our developing regional strategy. Israel constitutes an important deterrent in the region and, indeed, can play a major role in countering the more serious threats involving the Soviet Union.

Egypt occupies a unique position in the Arab world. Egypt's population, its strategic significance and cultural eminence give it that place. It was an event of extraordinary import for the United States when President Sadat decided to turn away from the Soviet Union and become our friend. President Sadat has had the vision not only to see and deal with the larger Soviet threat but also to join the peace process with Israel. There is no alternative to a strong, Western-oriented Egypt.

Adequate defense capability for Israel, Egypt, and other responsible Arab states will not only help deal with outside pressures but will support our objective of a lasting Middle East peace. Individual and regional insecurity undermines every prospect for peace. Our programs in the Middle East and Persian Gulf area, working with such states as Oman, are designed to deter threats to both regional security and Western energy interests.

Europe. Our foreign military sales (FMS) assistance to Europe will focus on four European nations: Greece, Portugal, and Turkey in support of their NATO roles, and Spain in connection with our defense agreement and our use of Spanish bases. A sizeable economic support funds program is planned for Turkey as we continue to respond to that country's economic needs in cooperation with other donors. Turkey and Greece are two of our most important allies. Greece and Turkey are important to each other's defense and as allies and friends both are indispensable to us.

East Asia. In East Asia, Korea will receive a large amount of FMS financing for force modernization, with significant programs also scheduled for Indonesia, the Philippines, and Thailand.

Africa. In Africa, our equipment, training, and/or economic support will help to enhance the security of a selected number of states friendly to the United States. It is clearly in our interest, for example, to help Sudan and Tunisia withstand pressures from Libya.

This is important in its own right and vital to our larger interest. For as the threat to these important states mounts too, indirectly, does the pressure on Egypt, with all that means for the prospects for peace and for our broad regional strategy. This suggests a central point: the interrelationship between threats and events in different theaters. If we are to act with coherence and consistency, these interrelationships must be reflected in our own policies.

Latin America and the Caribbean

For Central America, the Caribbean, and South America, we are recommending a total program of \$212.6 million. Especially noteworthy are our efforts to support the Duarte government in El Salvador, which we believe offers the best chance for a resolution of that country's conflicts.

The benefits of our security assistance program will be limited unless we have the necessary flexibility to use these resources effectively and efficiently. This includes being responsive to foreseen and rapidly changing events. It is impossible, in March 1981, to predict with certainty where crises may erupt in the coming months. We are, therefore, proposing special requirements funds: the economic support funds and military assistance program and a number of amendments to legislation that would facilitate the achievement of our policy objectives. If we have the capability to respond quickly and adequately in the cases where security assistance would make the difference, the need for U.S. direct involvement might be reduced or eliminated.

I want to stress that giving us the capability to deal with contingencies is not a vehicle for denying Congress its proper and necessary role regarding policy oversight of security assistance programs. Rather, both branches should address seriously the relationship of these programs to our policy objectives and, working together, insure that relevant legislation and funding authorities facilitate rather than constrain achievement of these objectives.

Development Assistance

security assistance is specifically designed to shape events and address long-term problems in countries and areas of major political importance to the United States, development assistance provides the United States with other opportunities to influence economic, social, and political change. We remain committed to a strong development assistance program as an integral element of our overall policy in our international economic and foreign policy objectives. U.S. foreign policy goals should guide our allocation of aid. But the humanitarian aspects of the development assistance program should not be overlooked. As a cooperative partner helping to meet the needs of the developing countries we contribute to the achievement of a number of key U.S. foreign and economic goals.

In our budget submission to Congress, the \$1.9 billion Agency for International Development program is reauthorized. Over 50% of the proposed development assistance program will be used to alleviate malnutrition and

Multilateral Development Banks.

In the past two decades, a growing recognition of the age of U.S. official aid has gone into support of multilateral development banks. We intend to meet our existing obligations to these institutions as we move in an evolutionary way, toward a greater emphasis on bilateral rather than multilateral assistance. In this process we shall keep in mind that multilateral institutions carry out two major functions.

- First, they mobilize additional resources from other donors for economic development in developing nations, nations of great importance to U.S. security and economic interests.
- Second, they foster increasing cooperation in the international economic system by encouraging developing countries to adopt Western, market-oriented development policies that improve productivity.

The President is, therefore, requesting appropriation of \$1.48 billion for multilateral development bank subscriptions and contributions for FY 1982. Because this request has been held to the minimum, it is essential to have your support for the full amount specified.

International Organizations and Programs.

Voluntary U.S. contributions to international organizations and programs are another important element of our foreign development assistance strategy. Among the important efforts in this area are the U.N. Development Program (UNDP) and the U.N. Children's Fund (UNICEF). These activities provide basic technical, health, and educational assistance to developing countries.

State Department Budget

Before concluding my statement today, I would call your attention to a crucial tool for the execution of our foreign policy: the budget of the Department of State. The FY 1982 request for the Department reflects our commitment to economize. The entire \$2.5 billion proposed budget is essential if we are to discharge our global foreign affairs responsibilities.

Conclusion

The program presented to you today represents our best judgment of the resources required to carry out our activities in these austere times. Cuts were made in the development assistance programs totaling over \$1 billion, a 26% reduction from the previous budget - equaling if not exceeding reductions proposed for the domestic agencies.

For the past 2 years Congress has failed to enact a foreign aid appropriations bill. This has caused us substantial difficulties. We have been forced to neglect vital aspects of our assistance programs; U.S. foreign policy interests

have been undermined. We should work together in the authorization and appropriation of these FY 1982 foreign aid requests to assure a U.S. partnership with the nations that strengthen our common economic and security interests.

¹ Press release 69. The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

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the nonfuel minerals policy concern with dependency focused on minerals for which we are dependent upon southern or central Africa—cobalt and chrome, and to a lesser extent manganese and platinum-group metals. Even in this highest risk area there is a mitigating factor which is the disruption potential. That is the importance of the minerals industries to the economies of the producing countries and the value of the world's market—the United States—to these industries.

In the event of a supply disruption which cannot be accommodated by normal market reactions, we have two lines of action. First is the priorities and allocations system provided by Title I of the Defense Production Act. Actions under Title I require that defense rated materials receive priority as necessary to meet defense production schedules. If a response proved to be too disruptive to civilian production, further allocations should be invoked.

Secondly, at some point during a crisis situation recourse to the national strategic stockpile might be required. I am not advocating use of this strategic stockpile for economic purposes; the President has the option of releasing stockpile material when the strategic use of a particular mineral adversely affects our defense preparedness. While planning is based on an extreme wartime scenario. Although the size of the stockpile inventories do not meet their goals, the U.S. stockpile is, nonetheless, the free world's largest strategic stockpile and provides a means of dealing with supply problems affecting national security.

Longer term supply consideration requires adequate investment today to develop the additional supplies that will be needed tomorrow. Growing world population and increasing industrialization in developing countries will increase demand for minerals, and at the same time some deposits currently being mined will be depleted. One factor that has caused concern regarding the future availability of supplies is the relative increase in expenditures on minerals exploration in developing nations as compared with developed producers during the 1970s. While this has not yet reduced minerals output in developing countries, as capacity expansions have proceeded on the basis of past exploration activities, it may affect future production. We are pursuing a number of approaches both bilaterally and multilaterally

to address this problem. In 1978 the Overseas Private Investment Corporation (OPIC) modified its operating guidelines in the mining and energy area, permitting greater flexibility in its coverage and lengthening of the coverage period. The international programs of the U.S. Geological Survey can make important contributions in the exploration area. The World Bank has allocated increased funding to its Mining and Non-Ferrous Metals Division, and the U.N. Revolving Resource Fund supports feasibility studies and preinvestment work in fuels and hard minerals.

Supplies From the Sea

Mining of nodules on the seabed promises to be a significant future supply source for two of the minerals for which our current dependence is a cause of concern—cobalt and manganese—and could also provide alternative long-term supplies of nickel and copper. The Department of State supported the Deep Seabed Hard Minerals Resources Act to provide a legal regime for U.S. mining of the deep sea as an interim measure until a broadly accepted law of the sea treaty enters into force. In the treaty negotiations a central goal of the United States has been the achievement of assured nondiscriminatory access to seabed minerals under reasonable terms and conditions. The United States made considerable progress toward that goal at the last negotiating session, but further talks will be necessary to enhance the automaticity of access to seabed minerals within the law of the sea regime.

Conclusion

In November 1980, the Department of State raised the question of nonfuel minerals availability and security of supply with its Advisory Committee on Oceans and International Environmental and Scientific Affairs. In closing, I would like to summarize the conclusions of that distinguished group.

- The United States should be ready for conservation and substitution measures in the event of a cut-back of supplies. This requires planning, including the application of science and technology toward solving these problems. Systematic readiness is an important policy, and government will have to stimulate it.
- Readiness implies a combination of stockpiling—both materials and technology—and exploration-assessment.

These activities also involve a science and technology component. An example is the use of U.S. space satellite imagery to locate alternative sources of supply.

- There is no broad materials policy which can cover all contingencies. Rather, different sectors will require different plans appropriate to specific materials' availabilities.

It was recommended, therefore, that what is needed for a few commodities is a coordinated policy to deal with the problem of dependency in the short, medium, and long term.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

North Atlantic Aviation Situation

Representatives of the United States, Canada, and states members of the European Civil Aviation Conference (ECAC) discussed a number of issues concerning North Atlantic air services during a 3-day meeting in Washington, D.C., February 24–26, 1981. Chairmen of the respective delegations were B. Boyd Hight, Deputy Assistant Secretary for Transportation and Telecommunications, U.S. Department of State; Ralph Azzie, Commissioner, Canadian Transport Commission; and Erik Willoch, President of ECAC and Director General of Civil Aviation of Norway.

The traffic statistics on North Atlantic air services which had been exchanged indicated that for the U.S.-Europe market in 1980 there was an increase in total passenger traffic, although at a lower rate than in previous years. There also was a change in the composition of that traffic with European-origin traffic increasing and U.S.-origin traffic declining and a continuing shift from charter to scheduled services. The Canada-Europe market was characterized in 1980 by a small decrease in both scheduled and charter traffic over the previous year.

In 1980 generally, capacity increases on the North Atlantic were greater than scheduled traffic growth, leading to lower load factors. Scheduled unit costs, spurred by rising fuel costs and other factors, exceeded unit revenue

Visit of British Prime Minister Thatcher

Prime Minister Margaret Thatcher of the United Kingdom of Great Britain and Northern Ireland made an official visit to the United States February 25-28, 1981, to meet with President Reagan and other government officials. Following are the remarks made by President Reagan and Prime Minister Thatcher at the welcoming ceremony and their remarks following a meeting on February 26.¹

WELCOMING CEREMONY, FEB. 26, 1981²

President Reagan

Prime Minister Thatcher, on behalf of the American people, Nancy and I extend to you and your family a warm welcome to the United States. Your visit here renews the personal friendship we began in your country just before you took office, and today as we meet in Washington at the start of my Administration we also renew the friendship and alliance of our people.

Great Britain and the United States are kindred nations of like-minded people and must face their tests together. We are bound by common language and linked in history. We share laws and literature, blood, and moral fiber. The responsibility for freedom is ours to share.

When we talked in London just over 2 years ago—when neither of us was in office—I was impressed by the similar challenges our countries faced and by our determination to meet those challenges. You have said that we enter into a decade fraught with danger, and so we have. But the decade will be less dangerous if the West maintains the strength required for peace, and in achieving that goal, there is one element that goes without question: Britain and America will stand side by side.

Outside Cambridge curving rows of simple white markers testify to a time when peace was lost and Britons and Americans united to turn back threats to freedom. Our challenge today is to insure that belligerence is not attempted again by the false perceptions of weakness. So long as our adversaries con-

tinue to arm themselves at a pace far beyond the needs of defense, so the world must do whatever is necessary to safeguard its own security. A stronger, more vigilant NATO must be the background of that security and of our effort for equitable arms control.

The Atlantic alliance will continue to be the steadfast center of our mutual security. But we're also both concerned with the totality of the East-West relationship. The Soviet invasion in Afghanistan was a brutal invasion, and you, Prime Minister, took a lead in rallying world opinion against it, and for that commend you. The tension in Poland commands the attention of the world. Clearly, the Polish people must be allowed to work out their own solutions to their problems. Outside intervention there would affect profoundly and in the long term the entire range of East-West ties. There are problems in other parts of the world such as regions of Africa and Central America where Anglo-American cooperation is key to the success of Western efforts to find solutions.

Americans are grateful for British efforts to bring the American prisoners home from Iran. We remember and are grateful for the support you gave us when you visited here a little more than a year ago. We remember your words of encouragement. They gave us heart. And together we will work to continue to confront the scourge of international terrorism.

Finally, our two nations know that there is no true security unless there is economic stability. We have both suffered from substantial economic difficulties. They might be different in their complexities and require appropriately different solutions, but we know that we share one basic commitment: We believe that our solutions lie within the people and not the state. We are committed to unleashing the natural power of the individual to produce more and to make a better life for all. We believe that people will stay free when enterprise remains free, and we believe that there are no insurmountable problems when we let individuals make decisions outside the restricting confines of government.

Prime Minister Thatcher, I look forward to our discussions, to the pleasure of renewing our friendship, and to the

nues. These two factors were reflected in a significant aggregate loss for the total North Atlantic scheduled operations. It was agreed that caution was advisable with respect to the interpretations which might be drawn from the financial data, given the variation in airline performance in different markets, the lack of uniform methods of cost allocation, and the effect of external factors such as inflation, exchange rates, and depressed economic conditions on North Atlantic air services markets and costs.

The U.S. delegation raised the issue of free access by international carriers to rapidly developing computerized reservations and ticketing systems in Europe. The ECAC delegation noted that the issue of market access was a broad one, which also included, for example, the question of access by European carriers to the travel agency network in the United States. The Canadian delegation noted the desirability of combining suitable bilateral and multilateral approaches to problems relating to market access and other obstacles hampering an orderly and economically sound development of air transport on the North Atlantic.

There was also informal discussion of the possibilities for some form of multilateral approach to fare problems which have tended to arise in a bilateral context in North Atlantic markets. However, the three delegations held different views as to the desirability and workability of such an approach.

The U.S. representatives reported on the status of various regulatory proceedings regarding the allocation of airport slots.

On the subject of the Canadian compensation recovery charge on aviation fuel used in international operations, the ECAC and U.S. delegations expressed their concern, and the ECAC delegation asked that the measure be reconsidered. The Canadian delegation explained the intent of this compensation recovery charge and emphasized that it would be nondiscriminatory in character.

The delegations agreed that the exchange of views on the agenda issues had been useful. The future exchange of data would be reviewed and the parties would decide later when another tripartite meeting, to take place in Ottawa, might be scheduled.

tunity to fortify the commitment
en our countries. On behalf of all
icans I welcome you and your
to the United States.

Minister Thatcher

resident, I count it a double joy
m once again in the United States
at I'm being greeted here by you,
in office, after a splendid victory
ng since for me a trusted friend.
warm welcome in this deeply mov-
emony will strike a chord in the
of British people everywhere.
ese are not easy times in which to
and to bear the responsibilities
onal and international leadership.
blems are many, the dangers
he decisions difficult. Indeed,
k spirits might even be tempted to
ay to gloom. But others like you
red by the challenge. And that's
value so greatly the opportunity
e to Washington to talk with you
t discuss the way ahead on so
y of the problems of which you've
at this morning.

We start from a common basis of
standing. For generations our two
ates have cherished the same
We've defended the same causes.
valued the same friendships, and
ter we've faced the same dangers.
nce again, our sense of common
ce and common resolution is being
et. It will not be found wanting.
The message I have brought across
Atlantic is that we in Britain stand
u. America's successes will be
s successes. Your problems will be
olns, and when you look for friends
w be there.

The natural bond of interest be-
our two countries is strengthened
common approach which you and
to our national problems. You
e mentioned some of the relevant
ng. We are both trying to set free
ergies of our people. We are both
ermined to sweep away the restric-
at hold back enterprise. We both
e our faith not so much in economic
or but in the resourcefulness and
dency of ordinary people.

You've spoken of a time for renewal.
ere to succeed in the battle of
as if we are to hold fast and extend
frontiers of freedom, we must first
ckm the truth that makes men free.
must have the courage to reassert
ditional values and the resolve to
va against those who deny our
and threaten our way of life.

You have understood the challenge.
You've understood the need for leader-
ship. In Britain you will find a ready
response, an ally – valiant, staunch, and
true.

REMARKS FOLLOWING MEETING, FEB. 26, 1981³

President Reagan

I just have a few words here – both of
us – but I also want to say that due to
the schedule that has been arranged and
the meetings of the Prime Minister yet
to go to, there'll be no time for any
questions.

It's both appropriate and timely, I
think, that Prime Minister Thatcher
should be the first West European
leader to visit here in the new Adminis-
tration. Our deep ties and perceptions
we share give us much to talk about. To-
gether we're confronting an extremely
grave international situation. We do so
with determination and optimism. We're
both committed to safeguarding fun-
damental Western interests worldwide,
including Europe, the Persian Gulf,
Southwest Asia, and Central America.

Our partnership in NATO is a vital
part of that effort. We're determined to
consult closely with each other and with
the rest of our allies on all matters in-
volving our common security. In that
connection, we affirmed our support for
the alliance's decision of December 1979
to modernize long-range theater nuclear
forces and to pursue arms control efforts
at the same time, in parallel.

We've also noted the Soviet proposal
for a summit meeting. We believe this
proposal needs to be carefully studied,
and we will be consulting closely on this
matter. For our part, we certainly have
an interest in pursuing serious, construc-
tive dialogue with the Soviets on those
issues which divide us.

And again, let me say, Madam
Prime Minister, we're just delighted to
have you here with us.

Prime Minister Thatcher

Thank you. Mr. President, friends, may
I just add one or two things to what the
President has said?

We're very sensible in Britain of the
honor you do us by asking us to make
the first official visit of head of govern-
ment to see you here, and we have, in-
deed, taken advantage of the opportuni-
ty afforded us to discuss many things
which will be extremely important in the

coming months. The President and I had
a *tete-a-tete* for some time, and then
were joined by the Vice President and
the foreign secretaries, when we dis-
cussed many of the wider issues the
world over.

Of course, we take the same view in
the United States and Britain that our
first duty to freedom is to defend our
own. And our second duty is to try
somehow to enlarge the frontiers of
freedom so that other nations might
have the right to choose it. It is, indeed,
a very difficult time the world over, and
we have, of course, discussed the many
problems, as the President said, in-
cluding President Brezhnev's recent
speech, the problems in Africa, the prob-
lems in the Middle East, and the prob-
lems in Central and South America.

I really regard it as the beginning of
a process of consultation. We shall both
of us be going to a number of summit
meetings this year. It is absolutely vital
that we coordinate our efforts and
decide upon a common line for the many
problems that will face us.

Thank you very much for the won-
derful welcome you've given us. Thank
you for giving us so much time and for
talking in so much detail about the
things which concern us both, which con-
cern our peoples, and which concern the
peoples in the world everywhere. And I
think, if I may – can I just end on a note
of optimism? Yes, there are enormous
problems. Yes, there have always been
enormous problems, but I believe,
together, we have the capacity to solve
some of them. And those which we do
not solve, I believe we can improve so
that we can set them on their way to a
solution in the end.

¹ Texts from Weekly Compilation of
Presidential Documents of Mar. 2, 1981,
which also contains the toasts made at a state
dinner at the White House on Feb. 26 and
toasts made at a dinner at the British Em-
bassy on Feb. 27.

² Made on the South Lawn of the White
House.

³ Made to reporters on the South
Grounds of the White House. ■

Secretary Haig Meets With West German Foreign Minister

JOINT STATEMENT,
MAR. 9, 1981

Foreign Minister Genscher and Secretary of State Haig met on March 9, 1981, in Washington for extensive talks on questions of common interest.

In the evaluation of the international situation, their talks revealed full agreement on the key issues which their countries jointly face. They underlined the common destiny of the European and American democracies. The United States continues to support the process of European unification. They agreed on the need of intensive and enhanced allied consultations on a bilateral and multilateral basis.

Secretary Haig and Foreign Minister Genscher agreed that the close and trusting relationship between the United States and the Federal Republic of Germany is an essential and reliable factor in international stability and in Western security. They consider the North Atlantic alliance as the basis of the common security of their countries. The stabilization of East-West relations, the preservation of peace, the maintenance and restoration, where necessary, of the military balance depend on alliance cohesion. The Government of the Federal Republic of Germany appreciates the great efforts undertaken by the American Administration for the common security and common interest.

Secretary Haig recognized the crucial German contribution to Western defense, including the continuing German role in mobilizing essential international support for Turkey.

NATO security must be based on an equitable sharing of the defense burden. Economic stability and social justice are preconditions enabling allied countries to maintain their defense capability.

Foreign Minister Genscher stated that the Government of the Federal Republic of Germany takes a positive view of the host-nation-support concept. Foreign Minister Genscher expressed appreciation for the U.S. contribution to the safeguarding of Western interests.

Both ministers agreed that meaningful and verifiable arms control agreements are an important element of security policy. The United States and the Federal Republic of Germany support both tracks of the December 12, 1979,

NATO decision on theater nuclear forces (TNF). Minister Genscher welcomed Secretary Haig's assurances that the United States intended to continue close consultations with its allies on the implementation of both tracks of the December 1979 decision. Foreign Minister Genscher welcomed the intention of the United States to propose an early meeting of the special consultative group.

Both governments agree that the U.S.-Soviet talks on the limitation of TNF should be continued. Soviet superiority in the long-range TNF area continues to grow and thereby creates a great obstacle to arms control agreement; Soviet proposals for a moratorium which would serve to legitimize this superiority are totally unacceptable.

Soviet acceptance of the view that a Conference on Disarmament in Europe must consider confidence-building measures covering all of Europe from the Atlantic to the Urals, in line with the French proposal for such a conference, is a positive development and may lead to progress in the discussions in Madrid.

The two ministers support a balanced outcome of the current CSCE [Conference on Security and Cooperation in Europe] review conference, including progress on the important humanitarian aspects of East-West relations.

Secretary Haig explained the ongoing review of U.S. policy on SALT. Minister Genscher expressed again the Federal Government's support for the SALT process as a contribution to the military balance and Western security.

Relations with the Soviet Union must be based on realism and, as expressed in the U.S.-Soviet declaration of 1972, on mutual restraint. Soviet efforts at expanding their influence and destabilizing other areas have cast a deep shadow on East-West relations in Europe. The indivisibility of international peace and security requires respect for the principle of non-use of force, of the political independence of states, and self-determination of peoples. These principles are laid down in the U.N. Charter and the Final Act of Helsinki.

The two ministers had an exchange of views on the recent message of General Secretary Brezhnev. Foreign Minister Genscher expressed a positive

view on the idea of properly prepared U.S.-Soviet summit trusting that, unless such a meeting will come about, no events will occur that might impair its purpose.

Poland must be allowed to solve problems peacefully and without external pressure. Any intervention would fundamentally change the entire international situation. The United States and the Federal Republic of Germany will with other Western countries, consider further contributions to Poland's economic and financial stability.

Both ministers agreed that it is of particular importance that the calm situation in and around Berlin, which of crucial significance for European security, East-West relations, and the international situation as a whole, be maintained. Secretary Haig reaffirmed the indissoluble U.S. commitment to security and welfare of Berlin.

Both ministers agreed that recent events in Spain demonstrate the strength of Spain's democratic institutions and expressed their full confidence in Spain's future course.

Both ministers support genuine nonalignment and self-determination. Strengthening the economies of the developing countries plays an important role in increasing stability and preserving their independence. Effective international discussions can also make a valuable contribution to these goals. Foreign Minister Genscher referred to the Vienna meeting of Foreign Ministers to prepare the North-South summit in Mexico.

Both ministers condemn external intervention in the affairs of nonaligned countries, in particular Afghanistan, where the decisions of the 26th Soviet Party Congress gave no hints of a willingness to find a peaceful solution to that crisis based on the withdrawal of Soviet troops in conformity with U.N. and nonaligned resolutions.

Political and economic stability of countries in the region immediately affected by the Soviet occupation of Afghanistan is of great importance in order to allow them to continue to play their role in solving the crisis. Secretary Haig recognized in particular the importance of German economic aid to Pakistan. The American contribution is still under review.

On the Middle East, the United States and the Federal Republic of Germany, within the framework of Euro-

political cooperation, will continue work for a peaceful settlement. The two ministers agreed that their efforts are complementary.

An internationally acceptable peace settlement in Namibia is in the interest of stability in southern Africa. Policy in this area is still under consideration.

Current developments in Central America are a cause of great concern, and the two ministers condemn the interference by Communist countries in the internal affairs of El Salvador, in particular through the clandestine support of arms.

The decision of President Duarte to initiate a process leading toward elections and a continuation of reforms ensuring political stability through justice in that country should be supported. Both ministers appealed to democratic forces in El Salvador to cooperate to achieve these goals. ■

Spanish Coup Attempt

DEPARTMENT STATEMENT,
MARCH 24, 1981¹

In the past 24 hours, we have followed the events in Spain with great interest and attention. We note that the attempt to overthrow the Spanish democracy was limited to a small number of people. The overwhelming majority of the armed forces and the Spanish people remained loyal to the King and to the constitution. We join our friends of that country, we join in expressing our congratulations on the successful resolution of the crisis and on the strength shown by the institutions and leaders of Spain's new democracy. The role and leadership of King Juan Carlos were clearly instrumental in ending the crisis and deserve particular admiration.

We had to news correspondents by acting department spokesman William J. Dyess. ■

CSCE Addresses Subject of Terrorism

by Max M. Kampelman

Statement made in a plenary session of the Conference on Security and Cooperation in Europe (CSCE) in Madrid on February 9, 1981. Ambassador Kampelman is chairman of the U.S. delegation.

On Friday I stated our delegation's support for RM. 14, the proposal on terrorism submitted by the Spanish delegation, and I stated our intent to discuss the subject in greater detail as an indication of my government's serious concern about the problem it addresses.

Terrorism as a political instrument is a blight on our standards of civilized political behavior. Its immorality cannot be justified. It has become a serious phenomenon and is a threat to the very basis of individual and institutional security in modern life. It has become a tool for irresponsible fanatical groups whose object is to use cruelty and violence to impose their will upon individuals, institutions, and societies whom they could not otherwise influence or persuade.

There was a time when terrorism was limited to individual acts by desperate and frequently depraved minds. The terrorist was sometimes looked upon as a person in the grip of passion. It was all too common to think of him as a romantic individualist, acting alone. And there was a time when we could properly seek to contain terrorism within national borders. It has become increasingly clear, however, that most terrorists today belong to disciplined groups, cynically employing terrorism as an instrument of policy. Today it is well organized and well financed. And the terrorist is not confined by national boundaries; indeed, all too often he is able to flee across borders for refuge. Terrorism has become international in scope. As such it is real and terrifying and dangerous to us all, and there is every reason to believe that its most extreme manifestations are yet to be experienced.

We must all recognize that the danger of international terrorism is among the most serious of all the problems on the international agenda facing

us here at Madrid. None of us is safe from it. No social, economic, or political system and no nationality group is immune from its destructive impact. Few of us have not been affected by its violence and cruelty. It undermines national and international stability, and stability is the basis for peace and understanding among us.

Terrorism does not favor a particular ideology. It is not a friend of one side or another. It knows no boundaries, and it respects no values. No nation is sacrosanct. It can be practiced, and rationalized, by all races, creeds, and faiths. It is self-perpetuating, with incident breeding incident and violence breeding violence. Indeed, terrorists often seek to provoke a response in the hope that the response itself will undermine the stability they seek to destroy.

Terrorism is a tactic of those who have neither the humanity nor the tolerance nor the understanding to seek solutions through the established institutions which form the basis for stable civilized relations among nations and among peoples.

Terrorism must be opposed by nations and by peoples if they have any commitment to decency and certainly if they have any concern for the stability of their own societies. The task of defeating international terrorism requires an international effort. RM. 14 is an important step in that direction. It calls for our support.

Today's advocate of terrorism, I respectfully warn, can easily become tomorrow's victim. It is gruesomely impartial in effect, striking its victims indiscriminately. It most often strikes at the innocent—the bus filled with tourists, the passerby in the park, the shopper in the market. It seeks to intimidate and brutalize, and all of us, literally and figuratively, are its potential victims.

The terrorist feeds on silence, ignorance, psychological indulgence, expediency, and the cynicism of those who would foolishly and for shortsighted purposes look the other way. No apologies or excuses for terrorism can make less abhorrent the facts which they ultimately encourage. No justification can be accepted for policies which, for whatever reason—"national liberation" or any other political rationalization—provide encour-

Implementation of the Hostage Agreements With Iran

by Walter J. Stoessel

Statement before the Senate Foreign Relations Committee on March 4, 1981. Ambassador Stoessel is Under Secretary for Political Affairs.¹

agement, weapons, instruction, or refuge to those who spread terror through random violence for political ends. Terrorist groups may profess different ideologies and attack different human targets, but it is what they have in common that is a danger to us all. Terrorist bands must be treated as such. We must not tolerate the death, mayhem, and instability which is the trademark of the terrorist.

It is tragic and reprehensible when governments, within their own borders and elsewhere, support such groups by providing financial assistance, explosive sophistication, sabotage instruction, other training, arms, and even targets. It is unconscionable when they use their media to support groups which employ terrorism as an instrument of policy. Surely it must be clear that such activity can only fan the flames of terrorism in the world and thus endanger the lives of still more innocent people as well as the stability of all governments, including those whose support or equivocal attitude fosters the atmosphere on which it thrives.

You are aware that my government has within the past few days in Washington expressed its concern over terrorism. Those statements speak for themselves. Secretary Haig placed the problem well within the scope of our agenda when he described terrorism as the ultimate abuse of human rights as well as a threat to our security as it tears at the very fabric of our society and stability.

There is understandably a widened consciousness in my country today because of the recent holding of 52 American diplomats as hostages in Iran. We have also had five of our Ambassadors killed by international terrorists since 1968. Other diplomats and citizens have been victims of these attacks. But we all know that other governments have had similar experiences. The Spanish and Turkish statements to this effect here have been eloquent.

A number of international measures have already been taken to deal with the problem of terrorism. More measures are needed. Here in this meeting we can play a vital role in mobilizing public and governmental consciousness against this outrage. We have a fundamental and common interest in cooperating to face this challenge.

RM. 14, introduced by Spain and supported by the Federal Republic of Germany, Italy, Portugal, Turkey, the United Kingdom, Canada, and the United States, merits the unanimous en-

I welcome this opportunity to discuss the Administration's decision to implement the agreements with Iran for the hostages' release. I will address my comments to why we believe it is in the interests of the United States to implement the agreements. I will also talk about the legal basis for proceeding with the agreements and the practical steps we plan to take in this regard.

Our decision to implement the agreements must be considered in the context of both our international interests and domestic concerns. Given Iran's strategic location, its oil resources, and the possibilities for Soviet influence there, movement toward improved relations may at some point be in the interest of the United States. However, it is also in our interest to take care that any such movement is consistent with our strong opposition to terrorism and the stake

dorsement of this body. I congratulate Ambassador Ruperez and his colleagues on their constructive effort in putting together this valuable and important proposal. It notes the need for improving international cooperation in order to meet the threat of terrorism. It calls on us to commit ourselves openly and resolutely to this present task. My government welcomes this call.

I can see no reason for standing apart from such an urgent task. Agreement here will serve as an important symbol to our peoples and to the world. It will send a message that the nations represented in Madrid have confirmed their resolute opposition to the tactics of barbarism and terror, as well as their determination to cooperate in overcoming the terrorist challenge to peace, security, and cooperation among all of our peoples. RM. 14 provides us an opportunity to reaffirm that terrorism cannot and will not be condoned. ■

which we, and all law-abiding nations, have in the system of international law and custom.

I want to stress that, by itself, our decision to implement the Algerian agreements does not constitute a decision to normalize relations with Iran. However, a benefit of implementing the agreements is that this option is left open.

U.S. regional interests also favor implementation of the agreements. Friendly governments in the area, and most of our allies, believe we must honor these obligations. Certainly, for a number of countries, the agreements represent a satisfactory conclusion to the freeze we placed on Iranian assets – a step which caused important investors considerable anxiety. In addition, had we decided not to implement the agreements, we would have been seen by other countries – especially Algeria – as failing to honor a commitment made to them. As you know, we have pursued a careful policy of gradual improvement in our relation with Algeria, and we appreciate Algeria's role in ending this national trauma.

In short, in completing a very thorough review of our obligations under the agreements, we have considered our strategic concerns – and the extraordinary circumstances under which the agreements were negotiated – very carefully. Our decision to approve implementation, strictly in accordance with the terms of the agreements, also takes into account the legitimate rights of U.S. claimants and our policies for dealing with terrorism.

We did not in our review of the agreements address whether the crisis could have been better handled or whether a better set of agreements could have been negotiated. However, the agreements are an accomplished fact, authorized by the President of the United States acting within the authority of his office. We are satisfied that our obligations under them do not violate U.S. law. We did not see it as necessary to reach a conclusion as to the agreements' legally binding character under international law. We are proceeding with implementation because it appears to be clearly in the overall interests of the United States to do so.

et me say that Iran has not
ed from these agreements and in
aid a considerable economic price
the sanctions and political isolation
ed upon it. Faced with the serious
ne imposed by the advent of a new
nistration which was not commit-
t continue the negotiations under-
ran had to settle for terms that
ed financial relations with the
d States roughly to where they
before the hostages were seized
ld to give up many of their de-
t, including the return of the Shah
le return of his assets. The funds
ay returned to Iran and those
may be returned as the agree-
t are implemented and commercial
financial claims are settled are
t that belonged to Iran before the
u of the hostages. No U.S. funds
een sent to Iran as the result of
e agreements.

Free actions required under the
ements have already taken place.

- The United States has pledged
interference in Iran's internal affairs.
s in accordance with our policy and
erational law.

- \$7.9 billion was transferred to an
account with the Bank of
ad. Of this, \$3.7 billion was then
ard to the Federal Reserve Bank of
ork to pay off syndicated bank
s and credits, and \$1.4 billion was
aid in the account to pay nonsyndi-
ed loans and credits of banks and dis-
e interest owing on Iran deposits in
s. banks.

- We have revoked economic sanc-
as imposed on Iran in response to the
ata taking. Normal controls under
Ans Export Control Act continue
ply to Iran and a Department
ve advisory points out the dangers of
veig there.

However, a number of additional
ps are required to complete imple-
ntation of the agreements. The execu-
e bunch published regulations last
ek to implement Executive orders
neby President Carter on Janu-
y 1, and a new Executive order
reby President Reagan on Febru-
2, 1981. These regulations explain
responsibilities of U.S. holders of
na assets. We have discussed these
ulations in detail with U.S. claimants;
ir views have been fully considered in
ifting process.

We are working to conclude a
any account arrangement with a

foreign central bank into which to place
a portion of the \$2.2 billion in Iranian
assets now in U.S. branches of U.S.
banks. One-half of these assets, as they
are transferred, are to go into such an
interest-bearing account for payment of
arbitration awards to U.S. claimants.
When \$1 billion has been placed in the
security account, the additional funds
will be transferred to Iran. However,
whenever the balance in the security ac-
count should drop below \$500 million as
a result of payment of claims, Iran is
obligated to make new deposits sufficient
to maintain the \$500 million balance. We
must also transfer to Iran \$1-1.5 billion
of other Iranian assets subject to U.S.
jurisdiction.

Claims not settled within 6 months
by direct negotiation between the par-
ties may be submitted to the arbitration
tribunal. We are seeking a site for the
tribunal and will shortly begin to make
other arrangements as well, including
the selection of arbitrators.

The new Executive order signed by
President Reagan suspends the claims in

U.S. courts that may be presented to
the arbitration tribunal. These claims
will be discharged only after the tribunal
takes jurisdiction and makes a judgment
on the merits. We will also lift the legal
attachments by U.S. claimants on Ira-
nian assets. These attachments must be
removed before the transfers can begin
that will—in addition to returning some
Iranian property to Iran—fill the securi-
ty account from which arbitration
awards will be paid. We will also, in due
course, withdraw U.S. claims against
Iran before the International Court of
Justice. (We will, however, continue to
press our claim for the return of our
Embassy and other properties in Iran.)

A category of obligations of which I
have not spoken concerns the Shah's
wealth. The regulations that I have men-
tioned will require that whenever the
Shah's estate or any close relative is
served as a defendant in U.S. courts by
Iran, pursuant to an effort to recover
Iranian property, the assets involved
will be frozen and information regarding
them will be made available to Iran.

U.S. To Sell Military Equipment to Saudi Arabia

DEPARTMENT ANNOUNCEMENT, MAR. 6, 1981¹

We have consulted closely with the Con-
gress during the past week regarding
the serious deterioration in security con-
ditions in the Middle East-Persian Gulf
region and also regarding the growing
threat to our friends there from Soviet
and other pressures. We have benefited
from the congressional views expressed,
and we plan to continue to work closely
with the Congress on steps to protect
our interests in that vital region. The
first step is to help our friends defend
themselves and to rebuild their con-
fidence in our reliability.

The Administration will shortly give
notification to Congress of our intention
to sell military equipment to Saudi
Arabia. We propose to sell to the Saudis
conformal fuel tanks and AIM-9L air-to-
air missiles which will augment the
defensive role of their F-15 aircraft. We
have agreed also to sell to Saudi Arabia
aerial surveillance aircraft, subject to
further determination of their specific
requirements. We have agreed to be

responsive on providing a refueling
capability. We will also conduct a
technical study with the Saudis to deter-
mine their air-to-ground requirements
for our defending against the threat of
invasion.

We are aware, of course, of the
assurances the previous Administration
gave to the Congress in 1978 regarding
these items. The critical fact today is
that the circumstances in the region
have changed dramatically. The Soviet
invasion of Afghanistan, the turmoil of
the Iranian revolution, the Iran-Iraq
war, and the Soviet presence in South
Yemen and Ethiopia underscore the in-
stability in the region and the dangers of
Soviet penetration and exploitation.

These proposals for military sales
are a sign of our determination that the
United States will move decisively and
quickly to protect its interests and those
of its friends and allies when they are
threatened.

¹Read to news correspondents by acting
Department spokesman William J. Dyess. ■

Whether, in fact, the assets are ultimately returned to Iran will be for the courts to decide, as the agreements made clear. Moreover, the regulations will expressly permit those family members whose assets are frozen as much money as they need for personal expenses.

The banks seem to be satisfied with the agreements and stand to be paid in full - something that was by no means assured previously. The principal concern of the contract claimants is that Iran may not pay awards made by the arbitration tribunal. However, under the terms of the agreement, arbitral awards against Iran would be enforceable against its assets in any country. Iran has waived its sovereign immunity defense with respect to awards made by the arbitration tribunal. Because of its dependence on oil sales, Iranian assets would be available in a number of countries for satisfaction of arbitral awards. Access to Iranian assets and satisfaction of the American contract claims were by no means legally assured prior to the taking of the hostages, either.

U.S.-European Initiative

DEPARTMENT STATEMENT,
MAR. 4, 1981¹

We have made plain that this Administration supports the ongoing peace process and intends to build on it in seeking a comprehensive settlement of the Arab-Israeli conflict.

We feel that the talks over the past days here with our European allies have confirmed that all of us have a major interest in achieving peace in the Middle East and strengthening security against the Soviet threat there. We are confident that they understand the importance of taking no action that would undercut the peace process.

We particularly welcome Prime Minister Thatcher's public remarks here that the efforts of the European Economic Community 10 are meant to be complementary to efforts being made by the United States to move toward the comprehensive settlement we all seek.

Suspension of Litigation Against Iran

EXECUTIVE ORDER 12294,
FEB. 24, 1981¹

By the authority vested in me as President by the Constitution and statutes of the United States, including Section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702), Section 301 of Title 3 of the United States Code, Section 1732 of Title 22 of the United States Code, and Section 301 of the National Emergencies Act (50 U.S.C. 1631), in view of the continuing unusual and extraordinary threat to the national security, foreign policy and economy of the United States upon which were based the declarations of national emergency in Executive Order No. 12170, issued November 14, 1979, and in Executive Order No. 12211,

Most of those with claims upon Iranian assets now understand and are reasonably satisfied with these arrangements. Others may have a different view, however, and some will go to court to try to keep Iranian assets here or to delay the transfer of the funds. In general, we believe the agreements provide for more certain protection of claimants' interests than was enjoyed previously.

On the question of hostage claims, we have concluded that given our sovereign immunities law, the former hostages stand little chance of successful litigation against Iran. Thus, our obligation under the agreements to block hostage claims against Iran will have little practical effect. When the agreements were being negotiated the hostage families themselves made clear that they did not want the claims issue to impede the earliest possible release of the hostages. Nevertheless, the Administration believes that the question of compensation should be considered in the context of compensation given other government servants who have endured similar hardships, such as prisoners of war and other ex-hostages. President Carter created a commission to make recommendations on the issue of hostage compensation by the United States - the Administration now has the question of this commission and its mandate under active review.

issued April 17, 1980, in light of the agreement with the Government of Iran, as reflected in the Declarations of the Government of the Democratic and Popular Republic of Algeria dated January 19, 1981, relating to the release of United States diplomats and nationals being held as hostages and to the resolution of claims of United States nationals against Iran, in order to implement Article II of the Declaration of Algeria concerning the settlement of claims and to begin the process of normalization of relations between the United States and Iran, it is hereby ordered that as of the effective date of this Order:

SECTION 1. All claims which may be presented to the Iran-United States Claims Tribunal under the terms of Article II of the Declaration of the Government of the Democratic and Popular Republic of Algeria Concerning the Settlement of Claims by the Government of the United States of America and the Government of the Islamic Republic of Iran, and all claims for equitable or other judicial relief in connection with such claim are hereby suspended, except as they may be presented to the Tribunal. During the period of this suspension, all such claims shall have no legal effect in any action now pending in any court of the United States, including the courts of any state or any locality thereof, the District of Columbia and Puerto Rico, in any action commenced in any such court after the effective date of this Order. Nothing in this action precludes the commencement of an action after the effective date of this Order for the purpose of tolling the period limitations for commencement of such action.

SEC. 2. Nothing in this Order shall require dismissal of any action for want of prosecution.

SEC. 3. Suspension under this Order of claim or a portion thereof submitted to the Iran-United States Claims Tribunal for adjudication shall terminate upon a determination by the Tribunal that it does not have jurisdiction over such claim or such portion thereof.

SEC. 4. A determination by the Iran-United States Claims Tribunal on the merits that a claimant is not entitled to recover on a claim shall operate as a final resolution and discharge of the claim for all purposes. A determination by the Tribunal that a claimant shall have recovery on a claim in a specified amount shall operate as a final resolution and discharge of the claim for all purposes upon payment to the claimant of the full amount of the award, including any interest awarded by the Tribunal.

SEC. 5. Nothing in this Order shall apply to any claim concerning the validity or payment of a standby letter of credit, performance or payment bond or other similar instrument.

¹Read to news correspondents by acting Department spokesman William J. Dyess. ■

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Nuclear Cooperation With EURATOM

**EXECUTIVE ORDER 12295,
FEB. 24, 1981¹**

By the authority vested in me as President by the Constitution and statutes of the United States of America, including Section 126a(2) of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2155(a)(2)), and having determined that, upon the expiration of the period specified in the first proviso to Section 126a(2) of such Act and extended by Executive Order 12193, failure to continue peaceful nuclear cooperation with the European Atomic Energy Community would be seriously prejudicial to the achievement of United States non-proliferation objectives and would otherwise jeopardize the common defense and security of the United States, and having notified the Congress of this determination, I hereby extend the duration of that period to March 10, 1982.

RONALD REAGAN

**LETTER TO THE CONGRESS,
FEB. 24, 1981²**

The United States has been engaged in nuclear cooperation with the European Community for many years. This cooperation was initiated under agreements concluded over two decades ago between the United States and the European Atomic Energy Community (EURATOM) and extends until December 31, 1995. Since the inception of this coopera-

tion, the Community has adhered to all its obligations.

The Nuclear Non-Proliferation Act of 1978 amended the Atomic Energy Act to establish nuclear export criteria, including a requirement that the United States have a right to consent to the reprocessing of fuel exported from the United States. Our present agreements for cooperation with EURATOM do not contain such a right. To avoid disrupting cooperation with EURATOM, a proviso was included in the law to enable continued cooperation until March 10, 1980, and provide for negotiations concerning our cooperation agreements.

The law also provides that nuclear cooperation with EURATOM can be extended on an annual basis after March 10, 1980, upon determination by the President that failure to cooperate would seriously prejudice the achievement of United States non-proliferation objectives or otherwise jeopardize the common defense and security and after notification to the Congress. President Carter made such a determination last year and signed Executive Order 12193, permitting continued nuclear cooperation with EURATOM until March 10, 1981.

The United States has engaged in three rounds of talks with EURATOM regarding the renegotiation of the US-EURATOM agreements for cooperation. These were conducted in November 1978, September 1979, and April 1980. Progress has been made toward clarifying the issues relating to these agreements, and the talks will be continuing.

I believe that it is essential that cooperation between the United States and the Community continue and likewise that we work closely with our Allies to counter the threat of nuclear explosives proliferation. Accordingly, I have determined that failure to continue peaceful nuclear cooperation with EURATOM would be seriously prejudicial to the achievement of United States non-proliferation objectives and would jeopardize the common defense and security of the United States. I intend to sign an Executive Order to extend the waiver of the application of the relevant export criterion of the NNPA for an additional twelve months from March 10, 1981.

Sincerely,

RONALD REAGAN

RONALD REAGAN

¹Text from Weekly Compilation of Presidential Documents of Mar. 2, 1981.

²Identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and George Bush, President of the Senate (text from Weekly Compilation of Mar. 2).

¹Text from Weekly Compilation of Presidential Documents of Mar. 2, 1981. ■

6. Nothing in this Order shall preclude assertion of a counterclaim or set-off by the United States national in any judicial proceeding pending or hereafter commenced by the Government of Iran, any political subdivision of Iran, or any agency, instrumentality controlled by the Government of Iran, or any political subdivision thereof.

7. The Secretary of the Treasury is authorized to employ all powers granted to him by the International Emergency Economic Powers Act and by 22 U.S.C. § 1732 to carry out the purposes of this Order.

8. Executive Order Nos. 12276 and 12285 of January 19, 1981, are hereby amended.

This Order shall be effective immediately and copies shall be transmitted to the Congress.

RONALD REAGAN

**SAGE TO THE CONGRESS,
FEB. 24, 1981¹**

Under Section 204(b) of the International Emergency Economic Powers Act (50 U.S.C. 1703(b)), I have today exercised the authority granted by this Act to suspend certain litigation against Iran.

The circumstance necessitating the exercise of this authority is the implementation of the Claims Settlement Agreement between the United States and Iran. After a complete review of the agreements with Iran leading to the release of the hostages held by Iran I decided to implement them.

This order is part of a series of actions necessary to resolve the national emergencies created in Executive Order 12170 of November 14, 1979 and in Executive Order 12193 of April 17, 1980 and described in my report submitted to Congress under the Emergency Presidential Powers Act of April 7, 1980; April 17, 1980; and April 19, 1981.

Although the hostages have been released, the financial and diplomatic aspects of the crisis have not yet been resolved and consequently present an unusual and extraordinary threat to the national security, foreign commerce and economy of the United States.

Thus claims which may be presented to the United States Claims Tribunal are being handled in accordance with the terms of the attached Executive Order pursuant to the Claims Settlement Agreement. The powers under Article II of the Constitution, Section 1732 of Title 22, known as the Emergency Powers Act, and Section 203 of IEEPA, are also ratifying earlier Executive Orders signed by President Carter on January 19, 1981 to remove any doubt as to the effect, an issue that has been raised in litigation challenging them. In this connection I note that Executive Orders 12276 and 12285 were all signed by President Carter and made effective while he was in office. The Report to Congress re-

Terrorist Attacks on U.S. Official Personnel Abroad

by Eran Duncan

This study cites incidents involving premeditated political terrorism directed against official representatives of the United States. Excluded from consideration are episodes that occurred during wartime situations or that resulted from random disorder and mob action. Attacks on private citizens are not listed.

The study draws upon information contained in Research Project No. 1246, "Hostage Incidents: Examples in Modern History," prepared in the Office of the Historian in February 1981 and published in the March 1981 BULLETIN; Research Project 782, "Assaults and Other Acts Against United States Personnel and Installations Abroad, 1960-1965," February 1967; and various published sources and monographs.

Eran Duncan, the author of this study, is a Research and Reference Historian, Bureau of Public Affairs. Neal H. Peterson supervised and received this report, and James C. Grant provided clerical-editing support.

AFGHANISTAN

February 14, 1979

Four Afghans kidnapped U.S. Ambassador Adolph Dubs in Kabul and demanded the release of various "religious figures" held by the Afghan Government. Dubs was killed when Afghan police stormed the hotel room where he was being held. The bodies of four alleged terrorists were shown to Embassy personnel.

The U.S. Government protested to the Afghan Government for not having tried to secure Dubs' release peacefully and drastically reduced its foreign aid programs there. No American Ambassador has been appointed to replace Dubs.

ARGENTINA

April 12, 1974

Members of the Peoples Revolutionary Army (ERP) kidnapped Alfred A. Laun, the director of the U.S. Information

Agency (USIA), in Cordoba. Laun, who was seriously wounded when captured, was released several hours later.

February 26, 1975

Montoneros guerrillas kidnapped John P. Egan, a retired businessman serving as the American Honorary Consul in Cordoba. They demanded that four captured guerrillas be shown on national television or else Egan would be killed. Egan was found dead the next day.

June 7, 1965

Allison Temple Wanamaker, American Consul in Cordoba, was wounded when a passing car machinegunned his automobile. His assailants were never identified.

BELGIUM

June 25, 1979

A bomb exploded under a bridge near Obourg, Belgium, seconds after Gen. Alexander M. Haig, Jr., then Supreme Commander of Allied Forces in Europe, drove across it. Haig's car was damaged, and one American and two Belgian security guards in another car were injured. Although various extremist groups claimed credit, the perpetrators were never identified. Gen. Haig, who was scheduled to retire from the Army 5 days later, remarked: "I thought I should go out with a bang, but this is too much."

BRAZIL

September 4, 1969

Leftist urban guerrillas kidnapped U.S. Ambassador C. Burke Elbrick in Rio de Janeiro and demanded that the Brazilian Government release 15 political prisoners and broadcast a revolutionary manifesto. The Brazilian Government met the demands, and Elbrick was freed on September 7 after the political prisoners had been flown to Mexico. The Department of State encouraged Brazil to meet the terrorists' demands. After Elbrick was released, Secretary of State

Rogers expressed his gratitude to Brazil for placing Elbrick's safety "above all other considerations."

April 5, 1970

Five armed men attempted to kidnap Consul Curtis S. Cutter from his car Porto Alegre. Cutter swerved to avoid the gunmen, ran down one of them, and drove away at top speed. He was slightly wounded when the others fired at car. Three members of the Popular Revolutionary Vanguard were later arrested in connection with the incident.

COLOMBIA

February 14, 1977

Guerrillas belonging to the Colombian Revolutionary Armed Forces (FARC) raided the town of La Macarena and kidnapped Peace Corpsman Richard Starr, whom they accused of being a CIA agent.

Starr was released on February 19, 1980, after the American journalist, Jack Mitchell, paid a ransom of \$250,000. Mr. Mitchell worked for columnist Jack Anderson.

February 27, 1980

Colombian terrorists belonging to the M-19 guerrilla group seized the Embassy of the Dominican Republic in Bogota, capturing 30 diplomats from countries, including 15 Chiefs of Mission. Ambassador Diego Ascencio was the only American among them. The terrorists initially demanded the release of 311 political prisoners, a \$5 million ransom, and government publication of their manifesto. They gradually reduced their demands and released about 18 of the hostages. The remaining hostages, including Ascencio, were released on April 27 in return for a \$2 million ransom and passage to Cuba.

CYPRUS

June 16, 1956

William P. Boteler, Vice Consul in Nicosia, was fatally injured when Greek Cypriot terrorists threw a bomb into a restaurant where he was dining. James Dace, a Foreign Service staff member, and two other U.S. Government employees were injured in the bombing.

st 19, 1974

o of Greek Cypriots, protesting
can policy toward the Greek-
sh dispute over Cyprus, attacked
S. Embassy in Nicosia. Am-
dor Rodger P. Davies and his
Cypriot secretary were killed by
fire from a nearby building.
n February 4, 1977, the Govern-
of Cyprus arrested six members of
DKA-B organization and charged
with manslaughter. Charges were
sed against two suspects, and two
were acquitted. The remaining two
e convicted in June of illegal posses-
of firearms and rioting. They
ed prison sentences of 5 and 7

DOMINICAN REPUBLIC

24, 1970

rists kidnapped Lt. Col. Donald J.
wy, the U.S. Air Attache. He was
ad 2 days later, after the
nican Government freed 20 political
ors and flew them to Mexico.

October 27, 1974

ector of the U.S. Information
en/ (USIA), Barbara Hutchison, was
on eight hostages taken when
nbers of the January 12 Liberation
event seized the Venezuelan Con-
titan Santo Domingo. The terrorists
aded the release of 38 political
ors and a ransom of \$1 million.
er they demanded the release of 32
e prisoners, 10 of the prisoners
e most of the Dominican left in con-
ng the affair. The Dominican
ement refused to comply with the
roists' demands, and the hostages
e freed on October 9 in return for
e duct to Panama.

ETHIOPIA

ptember 9, 1969

mers of the Eritrean Liberation
on ELF) kidnapped Consul General
rty E. Jackson while he was driving
wn Agordat and Keren. He was
ead 2 hours later, after his captors
dn sign a statement that he had
ent to their views and had not been
strated.

April 21, 1970

Members of the ELF removed Peace
Corpsman Jack Fry and his wife from a
train. They were released on April 26.
There was no ransom demand.

September 12, 1975

Members of the ELF kidnapped Army
Specialist 5 David Strickland and Navy
Electronics Technician Thomas
Bowodowicz near Asmara. Both were
released in the Sudan on January 9,
1976.

GREECE

December 23, 1975

Three gunmen shot and killed Richard
S. Welch, the First Secretary of the
American Embassy and Chief of the
CIA's Athens station, outside his home
in Athens. Various groups claimed re-
sponsibility, but Welch's assassins re-
main unidentified.

The Athens *News* had identified
Welch and six other Embassy personnel
as CIA agents on November 25.

GUATEMALA

January 16, 1968

U.S. Naval Attache Lt. Cmdr. Ernest A.
Munro and Col. John D. Webber, head
of the U.S. Military Assistance Advisory
Group, were ambushed and killed in a
suburb of Guatemala City. Two other
members of the U.S. military mission
were wounded.

The leftist guerrilla group, FAR
[Rebel Armed Forces] claimed respon-
sibility, stating that the two advisers
were marked for "execution" because
they had assisted the Guatemalan
Armed Forces.

August 28, 1968

Terrorists killed U.S. Ambassador John
Gordon Mein. They forced his car to the
side of a street, and shot him as he tried
to flee. FAR guerrillas claimed responsi-
bility, stating that they had intended to
kidnap Mein and demand the release of
imprisoned leftist leader Camilo San-
chez. Mein was the first American Am-
bassador to fall victim to terrorists.

March 6, 1970

Members of FAR kidnapped U.S. Labor
Attache Sean M. Holly. They released

him 2 days later after the Guatemalan
Government freed three political
prisoners.

The U.S. Government encouraged
Guatemala to accept FAR's demands.

HAITI

January 23, 1973

Three Haitians kidnapped U.S. Am-
bassador Clinton E. Knox and demanded
the release of 31 political prisoners and
a \$500,000 ransom. Consul General
Ward L. Christensen voluntarily joined
Knox in captivity during the negotia-
tions. The next day, the terrorists re-
duced their demands to the release of 16
political prisoners, a \$70,000 ransom,
and safe conduct to Mexico. Knox and
Christensen were released after the Hai-
tian Government met these demands.
The terrorists and the released prison-
ers, accompanied by the Mexican Am-
bassador, were flown to Mexico, where
the ransom money was taken from them
and returned to Haiti. Mexico refused to
accept the political prisoners, who then
proceeded to Chile.

IRAN

November 30, 1971

Ambassador Douglas MacArthur II
escaped a kidnap attempt in Tehran.
Two cars attempted to stop the Am-
bassador's car, but his driver avoided
them. At least one shot was fired, and a
hand axe was thrown through the rear
window. Ambassador MacArthur and his
wife were unharmed.

June 2, 1973

An Iranian terrorist shot and killed Lt.
Col. Lewis L. Hawkins, an American
military adviser in Tehran. Iranian
police killed the suspected assassin on
June 15.

May 21, 1975

Five Iranian terrorists shot and killed
Air Force Col. Paul R. Shaffer, Jr., and
Lt. Col. John H. Turner in Tehran. Both
officers belonged to the U.S. Military
Assistance Advisory Group.

Iranian police arrested two of the
terrorists on July 29. They were among
10 terrorists who were condemned to
death at the end of the year by a
military tribunal. Nine of the terrorists
were executed on January 24, 1976.

Terrorism

February 14, 1979

Two hundred Iranian militants occupied the U.S. Embassy in Tehran for 2 hours before Iranian Government forces persuaded them to leave. An Iranian employee of the Embassy and the son of another local employee were killed. Marine Sgt. Kenneth Kraus, who had been wounded and captured during the takeover, was not released until February 22.

November 4, 1979

A mob of Iranian students occupied the American Embassy in Tehran and captured 66 Americans, all but two of them Embassy personnel. On November 7, the Iranians demanded the return of the deposed Shah, who had been admitted to the United States for medical treatment, as a precondition for release of the hostages. The United States stopped delivery of military supplies (November 9), suspended imports of Iranian oil (November 12), froze Iranian assets (November 14), and began to assemble naval forces in the Indian Ocean.

Iran released one woman and two black Marine Security Guards on November 19, and four women and six blacks the next day. The remaining hostages were threatened at various times with trial as spies. Six members of the Embassy staff escaped from the Consular Section during the takeover and found shelter at the Canadian Embassy. Canada closed its Embassy on January 28, 1980, and brought out the six Americans the next day.

Despite support from the United Nations and two favorable rulings by the International Court of Justice, the United States was unable to secure the release of the hostages until minutes before President Carter left office on January 20, 1981. The United States broke relations with Iran on April 7, 1980, and banned travel to Iran on April 20. An attempt to rescue the hostages failed on April 25, resulting in the deaths of eight American military personnel. Secretary of State Vance resigned shortly thereafter. Richard Queen, a consular officer, was released on July 10 because of ill health.

After the death of the former Shah on June 27, Iran modified its demands to include the return of the Shah's wealth, cancellation of American claims against Iran, unfreezing of American assets, and a promise of noninterference in Iranian affairs. On November 3, the Iranian militants turned the hostages over to the government. Negotiations

leading to the release of the hostages began in Algiers on November 10, 1980.

JORDAN

June 7, 1970

Members of the Popular Front for the Liberation of Palestine (PFLP) captured Morris Draper, head of the Political Section of the U.S. Embassy. They reportedly demanded the release of comrades who had been captured by the Jordanian Army the day before. Draper was released after 22 hours.

On the same day, Army Capt. Robert Potts and his wife were wounded when Palestinian commandos fired on their car at a roadblock. Potts was assigned to the Defense Attache's office in Amman.

June 10, 1970

Maj. Robert Perry, a U.S. military attache, was killed when a band of Palestinians tried to break into his house.

In a separate incident, two fedayeen ransacked the homes of two U.S. officials and raped their wives. Yasir Arafat, leader of the Palestine Liberation Organization (PLO), later announced that the fedayeen did not belong to either Al Fatah or the PFLP and that the two had been executed on June 13.

September 9, 1970

The PLO held Staff Sgt. Ervin Graham of the Defense Attache's office in Amman for 8 days. There was no ransom demand.

September 11, 1970

The PLO kidnapped Jon Stewart, a cultural affairs officer with the U.S. Information Agency (USIA), and interrogated him. He was released the next day. There was no ransom demand.

LEBANON

March 13, 1975

Three Palestinians kidnapped Michael Konner, a Foreign Service officer, in a Beirut marketplace. They released him 14 hours later after questioning and beating him. Konner was not seriously injured.

April 16, 1975

John McKay of the Drug Enforcement Administration (DEA) was held for 2 days at the Sabra refugee camp near Beirut. His Palestinian captors made ransom demand and released him after interrogation.

June 29, 1975

Palestinian guerrillas captured Army Col. Ernest R. Morgan in Beirut as he returned to Turkey from CENTO exercises in Pakistan. They demanded the U.S. Embassy donate food, clothing and building materials to a Muslim district of Beirut that had been heavily damaged in the Lebanese civil war.

Both the Palestine Liberation Organization (PLO) and the Popular Front for the Liberation of Palestine (PFLP) denied responsibility for the kidnapping. Col. Morgan was released on July 12 after the Lebanese Government distributed free rice and sugar in the Al Masklakh quarter of Beirut.

October 22, 1975

Members of the PFLP captured Char Gallagher and William Dykes, the director and assistant director of the regic service of the U.S. Information Agency (USIA) in Beirut. They were released February 25, 1976, at the home of Kamal Jumblatt, a Lebanese leftist leader.

Their captors' demands ranged from a ransom to the release of Palestinian guerrillas held in Israel or in Lebanon. Lebanese sources claimed that Israel had released two Palestinians in exchange for Gallagher and Dykes, but U.S. and Israeli sources denied that there was any connection between the two releases.

June 16, 1976

Ambassador Francis E. Meloy, Jr., and Economic Counselor Robert O. Waring were kidnapped in Beirut while on the way to meet with President-elect Sarkis Meloy, Waring, and their Lebanese chauffeur were found dead near a beach several hours later. No demands were made, and the assassins remain unknown.

The U.S. Government urged its citizens to leave Lebanon on June 18. Twenty of the 32 remaining Embassy personnel were evacuated by sea on July 27.

st 27, 1980

own assailants in Beirut fired on
ssador John Gunther Dean's car.
d his party escaped unharmed.

10, 1981

identified sniper fired a shot into a
a car carrying security guards es-
g Ambassador John Gunther Dean.
cident took place as the Ambassa-
party crossed the "green line"
g the Christian and Muslim sec-
Beirut. No one was injured.

LYSIA

st 4, 1975

Members of the Japanese Red Ar-
sized the Consular Sections of the
Iran and Swedish Embassies in
Lumpur. Among the 52 hostages
merican Consul Robert S. Steb-
he hostages were freed after
agreed to release five other mem-
the Red Army. All 10 Red Army
rners departed for Libya on
u. 8.

XCO

1973

Members of the Peoples Revolutionary
ne Forces kidnapped Consul Gener-
ence G. Leonhardy near Guadala-
they demanded freedom for 30
prisoners, passage to Cuba,
eliction of a communique, and sus-
sion of a police search for them. The
tion Government met these de-
nd Mrs. Leonhardy borrowed
00 from a local bank as a ransom,
l Leonhardy was released on May 7.
ersons were later arrested in con-
with the case.

rc 22, 1974

onsul John S. Patterson was kid-
near Hermosillo. The "Peoples'
erion Army" (PLA) claimed credit
d a \$500,000 ransom. Mrs.
t Patterson claimed that all attempts
rde to deliver the ransom were un-
ceful. Patterson was found dead in
lert on July 8.

Te "PLA" turned out to be a hoax.
Joe Keesee of San Diego, who
acked a small plane from
d to North Vietnam in Septem-
1'0, was arrested and charged with
ng the kidnapping. Greg Curtis

Fielden was named as an unindicted
coconspirator. Keesee was sentenced to
20 years in 1975 for conspiracy to kid-
nap a diplomat.

SUDAN

March 1, 1973

Eight members of the Palestinian ter-
rorist group "Black September" seized
the Saudi Arabian Embassy in Khar-
toum during a farewell reception for
American Charge d'Affaires George Cur-
tis Moore. They took 10 hostages, in-
cluding Moore, the incoming U.S. Am-
bassador Cleo A. Noel, Jr., the Saudi
Ambassador and his family, and the
Belgian and Jordanian Charges. They
demanded the release of an Al Fatah
leader (Abu Daoud), other Palestinians
held by Jordan and Israel, Sirhan
Sirhan, and members of the Baader-
Meinhof gang imprisoned in West Ger-
many.

The terrorists released all their
hostages except Noel, Moore, and
Belgian Charge Guy Eid and reduced
their demands to the release of Abu
Daoud and 16 Palestinians held by Jor-
dan. The Government of the Sudan
refused to negotiate, and the three
hostages were killed. The terrorists sur-
rendered on March 6.

Sudanese President Nimeiri de-
nounced the act and banned further
operations of Palestinian groups in the
Sudan. The terrorists went on trial on
June 1, 1974, and were sentenced to life
imprisonment on June 24. President
Nimeiri reduced their sentences to 7
years and released them to the PLO the
next day. The terrorists were then flown
to Cairo, where Egyptian authorities im-
prisoned them.

TURKEY

February 15, 1971

Members of the Turkish Peoples' Libera-
tion Army held Air Force Sgt. James R.
Finley for 17 hours. He had reportedly
come upon them as they tried to steal
arms from a U.S. Air Force base outside
Ankara.

March 4, 1971

Five members of the Turkish Peoples'
Liberation Army kidnapped four Air
Force personnel shortly after they left a
radar station outside Ankara. They
demanded a \$400,000 ransom and the
release of all political prisoners in
Turkey.

The Turkish Government refused to
negotiate, and Turkish police arrested a
suspect on March 4. The four Ameri-
cans, Sgt. James J. Sexton and Airmen
Larry J. Heavner, Richard Caraszi, and
James M. Gholson were released un-
harmed on March 8.

URUGUAY

July 31, 1970

Tupamaro guerrillas tried to kidnap
Michael G. Jones, Second Secretary of
the U.S. Embassy, and Cultural Attache
Nathan Rosenfeld. Rosenfeld escaped
while Jones was being tied up and load-
ed into the back of a pickup truck. Jones
later escaped when the truck stopped
for a red light.

Daniel A. Mitrione, an Agency for
International Development (AID) official
working as a public safety adviser with
the Uruguayan police, was less for-
tunate. Tupamaro guerrillas kidnapped
him on July 31 and demanded the
release of all political prisoners in
Uruguay. The government refused to
negotiate, and Mitrione was found dead
in Montevideo on August 10.

August 7, 1970

Tupamaro guerrillas kidnapped Claude
L. Fry, an agricultural expert who rep-
resented AID. Although the Uruguayan
Government refused demands to publish
the text of a revolutionary manifesto,
Fly was released March 2, 1971, after
suffering a heart attack.

VENEZUELA

November 27, 1963

Members of the Army of National
Liberation (FALN) kidnapped Col.
James K. Chenault, deputy chief of the
U.S. military mission in Venezuela, in
Caracas. FALN made no demands,
claiming that it merely wanted publicity.
Col. Chenault reported that his captors
tried to indoctrinate him.

October 3, 1964

Members of FALN kidnapped Col.
Michael Smalen, deputy chief of the U.S.
Air Force mission in Venezuela. Col.
Smalen was released on October 12. His
captors again made no demands on the
Venezuelan Government, claiming to
want only publicity. Five members of
FALN were later arrested in connection
with the case. ■

Review of El Salvador

by Walter J. Stoessel, Jr.

Statement before the Senate Foreign Relations Committee on March 19, 1981. Ambassador Stoessel is Under Secretary for Political Affairs.¹

I welcome this opportunity to review and discuss with you the measures this Administration is taking with regard to El Salvador. I will summarize their main elements and the rationale for them.

Our actions with regard to El Salvador have as their goal the reduction of violence and instability in order to facilitate a peaceful transition to an elected government. This is the goal of the Salvadoran people and of their current government, headed by Christian Democratic President Jose Napoleon Duarte, which we strongly support. Having already promulgated a far-reaching agrarian reform and changes in the banking system and export trade, the government last week moved the country closer to elections when President Duarte appointed an electoral commission.

These important reforms will contribute to the reduction of violence and political instability in the longer term. In the short term, however, some landowners availed themselves of traditional ties to local security forces, while Cuban-supported guerrillas attempted to exploit popular resentment of past authorities. Both these extremes sought to undermine the reforms through violence but for different reasons. The landowners wished to restore the status quo ante; the guerrillas saw that reforms were winning away their popular support and recruitment base.

In recent months, our understanding of the situation in El Salvador has changed with the discovery that large quantities of arms and munitions were being supplied to the guerrillas. Last summer and fall, far away Vietnam, Ethiopia, and some Eastern European countries joined Cuba to take the initiative to transform an essentially domestic conflict in Central America into an international confrontation. These outside efforts to impose an unpopular military solution proved unacceptable to the Salvadoran people, who rejected the

guerrillas' appeals for support. The Carter Administration acted once it acquired the evidence. We have done likewise.

The United States cannot stand idly by while a reformist government comes under attack by externally advised and armed guerrilla groups that lack popular support. If we fail to make clear that the external encouragement of violence and instability in El Salvador will have serious costs, we insure that other countries seeking domestic solutions to domestic problems will find their efforts thwarted by guerrilla groups advised and armed from abroad. In turn, our failure to respond adequately to externally supported attempts to overthrow governments committed to reforms and to electoral solutions would cause other friendly countries to doubt our ability to help them resist assaults on their sovereignty.

Economic Aid

While the guerrillas in El Salvador are externally supported, they also feed on domestic ills. These include years of repressive and unresponsive governments and inequitable distribution of resources and life opportunities. For this reason, the major emphasis of our assistance program for El Salvador is economic rather than military. The Government of El Salvador welcomes this emphasis. Since October 1979, Salvadoran authorities have been committed to leading their country to democracy. To that end, the Duarte government is today working to carry out basic economic reforms.

We strongly support these efforts, financially as well as morally. On the economic front, we provided roughly \$58.8 million in FY 1980 for the government's reforms and its programs for the most needy. The Carter Administration had planned to provide about \$63 million in FY 1981 to create jobs through public works, to feed the hungry, and to improve health, education, and housing.

An intensive interagency study has now concluded that additional economic aid to El Salvador will be necessary. We will be consulting further with the Congress on this. At this point, it appears

likely that additional assistance in the range of \$60 million will be needed this year. At that level, economic assistance would be more than three times larger than our military assistance. For FY 1982, we will request the Congress to make available between \$80-\$100 million in economic assistance to insure the continued viability of the reform process.

Our aid is designed to help the Duarte government eradicate the chronic social and economic ills that have fostered unrest. El Salvador's needs are enormous and pressing. We hope that our allies and other friendly countries—many of which have themselves urged that socioeconomic needs not be neglected—will go beyond exhortations and join us in providing economic assistance to El Salvador. The general climate of violence and the guerrillas' purposeful destruction of foodstuffs, electrical installations, communications lines, vehicles, and roads have cut deeply into El Salvador's production and growth. The suffering of Salvadoran people in this chaotic situation requires a compassionate response from us and from all civilized nations.

Security Assistance

Now let me address our security assistance efforts. We are providing the necessary military assistance to the Duarte government in its battle against the externally supported guerrillas. Let me assure you that we are doing this with the greatest prudence and caution and with the lessons of the past very much in mind. El Salvador is not another Vietnam. Our objectives are limited: to help the government with its problems of training, equipment repair and maintenance, mobility, and resupply. Let me quickly review our assistance effort to date.

Prior to January 16 of this year, the Carter Administration had confined defense aid to El Salvador to nonlethal equipment like trucks and radios. It also had provided training for selected Salvadoran officers and had sent a number of training teams to El Salvador. On January 16, after a week of hard fighting initiated by the guer-

th the aid of externally supplied and munitions, President Carter ed the provision to El Salvador arms and munitions—the first S. shipments since 1977—to some of the stocks depleted during guerrilla offensive. President also provided six helicopters and dozen U.S. military technicians to Salvadoran helicopter pilots and assistance specialists.

the taking office, the Reagan Administration has carefully reviewed and the needs of the Salvadoran forces in consultation with Duarte and his government. made a grant of articles and valued at \$20 million and have Congress of our intent to \$5 million in additional military sales (FMS) loan es. This additional assistance including a small number of personnel on temporary duty to help train Salvadoran Army and Navy. One team will help with repair of ship-board equipment for patrols; five men have been an operations-planning team in El Salvador since five will supplement the U.S. group in its largely administrative duties; and three teams of each will help provide in-training for the Salvadorans' quick reaction force.

the additional training specialists, the total number of U.S. personnel working with Salvadoran forces to 54. Although in a torn by violence no place is safe, all U.S. trainers will work out of the safest places in El Salvador: military garrisons and command centers. For FY we are requesting \$25 million in financing for purchase of weapons, military equipment and \$1 million for international military education training program. Additional grant assistance is not contemplated at the time.

We believe that the level of security we are providing is commensurate with the need; it responds in accordance to the Duarte government's requests. While the January offensive was successfully repelled, the crisis continued to pose a serious threat. Estimates of the number of guerrillas are around 4,000 with approximately 5,000 irregulars. The Salvadoran Armed Forces—the backbone of our security assistance—total about 9,000. Various police or constabulary forces have a similar combined strength.

It has been alleged that our support goes beyond minimum requirements, that the armed forces of President Duarte are successfully defeating the guerrillas and hence that no further U.S. assistance is called for. Experience has shown, however, that for our support to be credible, it must respond not only to the present situation but to the potential of the other side to create further violence. It takes time for new equipment to be absorbed and training to take effect. We must anticipate future needs rather than being merely reactive. There is, thus, an element of deterrence built into the level of our total support.

In giving military help to El Salvador, we are most mindful of our obligations to you under the terms of the war powers resolution. The activities assigned to our military personnel in El Salvador do not call for them to "command, coordinate, participate in the movement of, or accompany" Salvadoran forces at any time or place where involvement in hostilities is imminent. The U.S. personnel are specifically instructed to avoid situations of potential hostilities, and our assessment of the risk at the locations where they will be assigned is that there is no imminent likelihood of hostilities involving these U.S. personnel. The assignment of our training personnel to El Salvador is not, in our view, an introduction of "United States Armed Forces into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances"—the standard of the war powers resolution. We will seek to keep the Congress fully informed of the circumstances in El Salvador affecting the safety of U.S. personnel, and, I repeat, we will always consult with you on U.S. assistance to El Salvador.

Commitment to a Peaceful Outcome

Our economic and military assistance are both important for an eventual political resolution of the conflict in El Salvador. A peaceful outcome will require both greater social justice and greater stability under the law. To this end, we continue to impress upon the government the importance of finding and bringing to justice the murderers of the four American church women and two AIFLD [American Institute of Free Labor Development] agrarian reform specialists.

We also support President Duarte's offers to discuss with opposition leaders and with business, labor, and church groups within El Salvador what structures and guarantees will best insure open elections next year. We cannot, of course, participate directly in any negotiation process that would compromise the sovereignty of El Salvador and the right of its government to negotiate on its own behalf. We are strongly committed, however, to a peaceful transition to an elected government and oppose any and all attempts to deprive the Salvadoran people of their right to elect a government of their own choosing. We firmly oppose any kind of coup against the centrist government.

In our view, the Duarte government provides the best opportunity for a transition to a political system that will offer the Salvadoran people some measure of control over the decisions that affect their lives. We support it for that reason. In El Salvador, as in any country, we have to deal with the political possibilities as they exist now. There are three alternatives in El Salvador today—the forces of the extreme right, the forces of the extreme left, and the present government. Of these, the Duarte government is the only one that promises to lead a transition to full constitutional order.

Should it come to power, the extreme left would probably create a government modeled, like Cuba's, on that of the Soviet Union. Such governments can vary among themselves, but we do know from history that they have an unusual ability to establish a rigid grip. To passively accept a Cuban-coordinated attempt to impose their kind of political order by force of arms would be to close off all but one narrow path for the future development of the Salvadoran people. This is what we want to help prevent.

In summary, we believe the measured steps we have taken and have proposed are reasonable and responsible. They are carefully designed to contribute to a lessening of the violence and instability that threaten the social and political reforms the Duarte government has courageously undertaken. I hope that we will have the support of the Congress, and of this committee, as we proceed to develop U.S. policy toward El Salvador and the region.

¹ The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Central American Review

by John A. Bushnell

*Statement before the Subcommittee for Inter-American Affairs of the House Foreign Affairs Committee on March 5, 1981. Mr. Bushnell is Acting Assistant Secretary for Inter-American Affairs.*¹

Central America's recent history of Communist-supported civil violence in Nicaragua, El Salvador, and—to a lesser degree—Guatemala has attracted considerable international attention. Although the region is no longer ignored, what has been happening there has more often than not been described in overly simplistic terms. Our intentions and motivations have become the prime target of a worldwide propaganda campaign by the Soviet Union, Cuba, and other Communist countries seeking to advance their own interests in the region at its and our expense. In our own country, highly complex issues are often reduced to slogans; catchphrases substitute for analysis. The situations in each country are different; U.S. policy must deal with the complex realities.

Guatemala

Guatemala, the richest of Central American countries in resources and largest in size and population, is faced concurrently with troubled borders, externally supported subversion, and internal rebellion. Endemic violence is on the upswing, spawned in considerable measure by Communist exploitation of traditional social and political inequities. While a number of social and economic programs are underway, growing Marxist guerrilla insurgency has riveted the attention of the government firmly upon internal security issues. As it has in El Salvador, Cuba has played a role toward unifying the diverse Marxist guerrilla groups and in assisting them to obtain arms and training.

In addition to the internal problems, two of Guatemala's neighbors are involved in dramatic change, adding further security worries to Guatemala's leadership. Developments in El Salvador are a continuous source of concern, and the British Colony of Belize, which is claimed by Guatemala, is moving toward independence this year. Guatemala is

concerned that Belize could become a safehaven for Marxist guerrillas or a supply and infiltration route for these insurgents, with or without the permission of the Government of Belize. Guatemala also is concerned that it may lose access to the Caribbean by surrendering its claim to Belize. We hope that good faith negotiations by all sides will bring about an acceptable solution that will contribute to regional stability.

Economically, Guatemala's recent oil discoveries will help it weather a serious economic slump brought about by high world energy prices, international market conditions, and a fall-off in tourism because of internal violence.

Honduras

Honduras is well on the way to conversion from a military government to an elected civilian government. An election in April 1980, in which over 80% of the electorate participated with enthusiasm, produced a constituent assembly which is now redrafting the constitution and writing electoral laws. General elections for the legislature and presidency are expected later this year, with the new government to be installed by early 1982. We are pleased with Honduras' commitment to and progress toward democracy in the face of events on its borders and its own economic problems.

However, Honduras faces some economic difficulties. It has embarked on a heavy campaign of investment in projects to improve its economic infrastructure that will offer dividends in the medium term. But for the immediate future, a deteriorating terms of trade, especially caused by falling coffee prices, have left Honduras with economic problems which have been exacerbated by the region's political problems. We are reviewing our aid programs to Honduras, including the military assistance we have given (mostly leased helicopters and a small amount of military training) and are considering what more might be done to enhance Honduran economic and military security.

Costa Rica

Costa Rica, the democratic model for Central America, is no longer immune to

its problems either. A burgeoning fuel import bill, an ever-growing public sector combined with a declining economic growth rate, a severe balance-of-payments problem, and increasing charges of corruption in government creating a sense of unease heretofore absent from that country. Hopes for International Monetary Fund (IMF) program to help with foreign exchange budget gaps are now dependent upon the government's willingness to cut its budget deficit and to establish some discipline in the public sector. Meetings between the IMF and Costa Rican Government officials lead us to believe that an IMF agreement will be concluded. The government seeks some U.S. assistance, including development assistance and a PL 480 (Food for Peace) program, and we believe that now is the time to help our friends at least in small amounts.

Recent indictments of officials allegedly involved in the illegal transfer of Cubans to the United States and allegations of corruption caused by Communist gunrunning networks are as disturbing as the economic picture. Costa Rica is now being tested in its ability to deal forcefully with the economic and social problems now facing it. The country has the resiliency characteristic of established democracies may need some support—both economic and moral—if it is to avoid problems of the magnitude that has afflicted other countries in the region.

Nicaragua

The overthrow of Anastasio Somoza in Nicaragua, which was completed in July of 1979, brought the region both more international attention and a serious new destabilizing factor. The National Directorate of the Sandinista Liberation Front, which has held power in Nicaragua since the fall of Somoza, is heavily influenced by Marx and Castro. Some members of the directorate have sought to lead Nicaragua toward a totalitarian society. That thrust has been contested by Nicaraguan moderates in independent political parties, the private business sector, the church, and some of the media best represented by *La Prensa*, the popular, independent daily newspaper.

Since the Sandinista victory of July 1979, the United States has obligated over \$100 million in economic assistance to Nicaragua, \$60 million of that coming from the FY 1980 supplemental act. Our aid has been designed not only to feed hungry people but also to strengthen the

sector and deny the Sandinistas African foreign devil to blame for problems. The Congress required aid to Nicaragua be stopped its government support violence terrorism in other countries or deny rights to its populace. Evidence large amounts of Communist- weapons destined for the guerrillas in El Salvador were transitting. El Salvador has caused us to suspend aid government of Nicaragua temporarily. A decision on whether to hold indefinitely will not be made until we completed a thorough review of human compliance related to extradition as provided for in U.S. law.

El Salvador

January 10, 1981, the Marxist guerrillas in El Salvador under the command of the Cuban-organized Revolutionary Directorate, the began their so-called final offensive to topple the Duarte government. The DRU called for a popular insurrection to sweep the government from power, just as the Sandinista Front had done in Nicaragua. The DRU wanted to present the Reagan administration with a "fait accompli." Revolutionary government in place, could not be dislodged. But the situation in El Salvador was different from Somoza's Nicaragua. The Salvadoran people rejected the DRU's own insurrection in El Salvador. In Nicaragua, the government was not faced with entire cities going on strike and workers striking in support of the Marxists. Instead the people of El Salvador chose to go to work, quietly turning their backs on the guerrilla groups who claimed to lead the government forces were able to withstand the guerrilla offensive, thus winning at least a symbolic victory over the externally supplied Marxist forces in El Salvador.

I should like to submit for the record a copy of the special report on "Communist interference in El Salvador" that has been made public.² Much of it is based on captured DRU documents. I should like that much of the information from captured documents has been verified by other information and is in our possession and, above all, the fact that the guerrillas in El Salvador are well-armed.

There has been a massive influx of arms from Soviet and other Communist

sources. Radical Arab states, the Palestine Liberation Organization (PLO) and the terrorist Popular Front for the Liberation of Palestine (PFLP) have furnished funds, arms, and training. There is also clear evidence that the Cubans were directly involved in forming the guerrillas' unified command, in organizing the arms supply network, and in developing combat plans. This outside interference dramatically changed the nature of the struggle in El Salvador from an internal conflict to an international one with East-West dimensions. Prior to January 17, 1981, I should point out, the United States had not sent any arms to El Salvador since 1977.

The crucial question is why there was no popular uprising in response to the DRU's appeal. Where was the popular support that the Salvadoran left and its supporters here and in Europe claimed and apparently believed that they had? The explanation lies in the fact that the revolutionary civilian-military Government of El Salvador, headed by Christian Democrat Jose Napoleon Duarte, has given El Salvador the hope for peaceful change, while the guerrillas have revealed themselves to be terrorists, interested only in obtaining power through brute force.

In March 1980, the government announced a far-reaching reform program. Although it has been implemented haltingly, it has taken from the small traditionally ruling oligarchy control of the major estates, the banking institutions, and the export businesses. Small farmer cooperatives have become the owners of the major estates, bank employees are sharing in the control of the banks, and the government controls the vital export of major commodities. The former landowners are to be reimbursed with a combination of cash and long-term bonds. Small parcels of less than 17 acres once farmed by sharecroppers are now to be owned by the tenants. In spite of considerable technical difficulties, the government has begun to issue titles to the new owners. Accomplishing such a complex reform in the midst of a foreign-supplied guerrilla insurgency is a remarkable achievement.

The United States has offered economic assistance to support the Salvadoran Government's reforms and to provide help for El Salvador's most needy. Roughly \$56 million was made available in FY 1980 and about \$63 million is already planned in FY 1981 to create jobs through public works, to feed the hungry, and to improve health, educa-

tion, and housing. Our aid is designed to help eradicate the conditions which have fostered unrest. The success of the government's reforms and our help can perhaps best be measured by the extreme changes they have caused in the behavior of the government's opposition. The agrarian reform has attracted the most attention. It is under attack by the extremes of both right and left, the latter because the reform undercut its appeal to the rural population.

In addition to progress on economic and structural reforms, the government has begun a process to fulfill its commitment to democracy. On the October 15, 1980, anniversary of the revolution, the government announced a number of measures, including:

- A schedule for popular elections beginning with election of a constituent assembly in 1982 and culminating with presidential elections in 1983. We understand that an election commission will be established during the next few weeks to carry forward this process;
- A full amnesty for all guerrillas who lay down their arms; and
- Promulgation of a code of conduct for the military.

Indicative of the government's desire to end the violence, it accepted an offer by the Salvadoran Council of Bishops to serve as mediators between the government and the guerrilla organizations. The DRU, speaking through its front organization, the Revolutionary Democratic Front (FDR), publicly rejected the offer. In December, in a move which strengthened the civilian role in the Christian Democratic-military coalition, Jose Napoleon Duarte was made President and Chief Executive of the junta.

The left has found itself increasingly unable to demonstrate popular strength. It called three general strikes in June, July, and August of 1980. In June they met with partial, but disappointing, success. In July they realized they could not succeed and canceled the strike. In August they went ahead with the planned strike, but in spite of their efforts to keep workers from their jobs by burning buses and bombing workplaces, attendance was above normal. The strikes were failures. The people of El Salvador, if they were not actively supporting the government, were at least asking to be let alone, to work, and to go about their lives in some safety and to enjoy the benefits of the reforms. The judgment that the guerrillas lack popular support is not ours alone. The following quote from Apostolic Adminis-

trator, Bishop Arturo Rivera y Damas' February 7 homily brings home the same point: "We cannot affirm that civilian population is with the government, but it is a fact that the people are accepting it at least as the lesser of two evils."

Following the failure of the strike in August 1980, the left realized that it had little popular support and turned increasingly from political action to outright terrorism. Under Cuban counseling and assistance, they burned crops, businesses, and buses and murdered hundreds of people while they prepared themselves for a military campaign to topple the government. From Communist sources a massive supply of arms was shipped via Cuba to Nicaragua for delivery to El Salvador. But even with their stockpile of military materiel, the guerrillas' so-called final offensive failed. Their greatest failure, however, was not military, it was political—they did not have popular support.

Nevertheless the offensive still inflicted losses upon the government, causing it to draw down its stocks of arms, ammunition, rations, uniforms, and transport vehicles to dangerous levels. On January 17, for the first time since 1977, the United States began to ship lethal military items to El Salvador, including arms and munitions, C-rations, uniforms, and six leased helicopters to increase the mobility of Salvadoran troops. Our January 17 emergency increase in FY 1981 military assistance (equipment and training) from \$5.4 million to \$10.4 million was not sufficient to permit the government to meet the threat of the foreign-supplied guerrillas for the remainder of the year.

We are now in the process of increasing the amount by \$25 million to provide additional helicopters, to equip new quick-reaction forces, and to increase mobility and communications as well as provide needed spares and ammunition. The current FY 1981 \$63 million for economic assistance will also require substantial upward adjustment. The additional amount needed will depend on the level of fighting and

violence during the rest of the year and the response to the Salvadoran Government's requests for funds from the international financial community to reconstruct its economy.

Obviously, El Salvador continues to face significant problems. Some try to present the complex issues as a choice between a "political solution" or a "military solution." There cannot be a simple "military solution" for the Duarte government. That government is political. Its program is political. But it is faced, in addition to serious political, social, and economic dislocations, with a major military confrontation which could be decisive in determining the future of the country. If the Duarte government cannot make judicious use of sufficient forces to make it possible to hold its programmed elections and complete its projected reforms, there will be a military solution—one imposed by the armed left, which will create in El Salvador a totalitarian state hostile to both its neighbors and the United States.

We agree with President Duarte that his government is not a permanent repository of power in El Salvador. We look upon it as a transition to democracy. We believe the future of El Salvador should be determined at the ballot box not at the end of a gun.

We are now engaged in a detailed study of our policy options in El Salvador and the region, taking into account the critical situation there and the threat posed by international communism. We are consulting widely among our allies in Europe and Latin America. We shall also be consulting regularly with the Congress.

In addition to the \$5 million in foreign military sales credits as well as \$20 million in grants which have been determined essential to assisting the Salvadoran Armed Forces to meet the threat posed by the Cuban-armed leftist guerrillas, we are deploying a small number of additional military training teams. These five-man teams will train the new reaction forces; one six-man team will help get the small-boat Navy functioning; five men will be added to the operations planning team, and five will supplement the Milgroup [military group] in its much larger logistics duties.

Additional economic assistance will be needed to help the Salvadoran Government weather this crisis and begin the process of reconstruction. We would appreciate any views you may have on the best ways to finance additional requirements. We are prepared to answer your questions concerning recent events in Salvador and listen to your views regarding what approaches we might consider to meet the problem.

¹ The complete transcript of the hearing will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

² Text of the report was printed in the BULLETIN of March 1981, p. 1. ■

Salvador

DEPARTMENT STATEMENT, MAR. 18, 1981¹

policy toward El Salvador has both military and political component. El Salvador is in the middle of a major struggle to preserve its very existence against the threat of a terrorist insurgency directed from the outside. The government's most immediate priority, therefore, is to insure the stability and security of the country. Our focus on the security issue in recent weeks stems from this objective reality.

The Government of El Salvador remains committed to carrying out basic economic and political reforms, including agrarian reforms in 1982-83. The United States continues to support strongly these reforms, which include agrarian and land reforms, promotion of employment and encouragement of the private sector. In FY 1980 and FY 1981, the United States provided over \$123 million in economic assistance, primarily to help the Government of El Salvador implement these reform programs.

The successful implementation of these reforms would provide the Government of El Salvador with broad popular support and facilitate a transition to a democratic government. Until the violence is ended, however, such a transition is difficult to make. That is why the Government of El Salvador is concentrating its efforts on countering the terrorist

Violence is the enemy of all democratic change, of individual rights, and of economic progress. Those who are responsible for the violence and terrorism with arms support from Cuba and other countries, are the real obstacle to negotiations. We continue to press upon the Government of El Salvador the importance of controlling the violence, whatever its source.

In El Salvador, an end to the present suffering and violence would permit the nation to get on with the task of economic reconstruction and progress. The United States, with its long tradition of democratic change, recognizes the need for and supports peaceful and democratic change in El Salvador.

DEPARTMENT STATEMENT, MAR. 2, 1981¹

The Government of El Salvador has successfully resisted the major offensive that was launched against it in January using the massive influx of arms that have been provided from Cuba and other sources. However, the insurgents are regrouping, and massive quantities of arms remain in their hands either inside El Salvador or they have reason to expect that additional arms are waiting to be smuggled in.

We want to improve as much as possible the government's ability to deal with this problem. The original U.S. assistance program for El Salvador was not designed to cope with the level of external arms assistance that now confronts the government of that war-torn country. The Administration of President Carter, in its final weeks, began emergency measures to increase the level of arms assistance available to the Government of El Salvador, including the first shipments of lethal U.S. arms to that country.

As part of our on-going review of the situation there, we have decided to provide an additional \$25 million of security assistance for fiscal year 1981. This assistance will permit the Government of El Salvador to acquire additional helicopters, vehicles, radar and surveillance equipment, and small arms. In addition to this materiel assistance, we will be augmenting our present training and assistance teams with the addition of four five-man training teams. These four teams will train Salvadoran personnel in communications, intelligence, logistics, and in other professional skills designed to improve their capabilities to interdict infiltration and to respond to terrorist attacks. U.S. personnel will not accompany Salvadoran units outside their garrison areas. Nor will U.S. personnel participate in any combat operations. Because training and the absorption of new equipment takes considerable time, we are proceeding now with these immediate steps while we continue our broad review of the full range of Central American policy issues.

The immediate focus on these security-related measures do not and should not distract attention from the fact that the fundamental problem that we face in El Salvador is to maintain the pace of economic and political progress in the

face of deliberate efforts by the left-wing insurgents to disrupt that progress and to force the government into a preoccupation with security concerns. With the Government of El Salvador, we are examining that country's economic needs. We anticipate that increases of the present assistance level of \$63 million for fiscal year 1981 may be necessary in order to assist the government in stabilizing the economy and maintaining basic economic reforms.

Violence is the enemy of all democratic change, of individual rights, and of economic progress. Those who are responsible for violence and terrorism with arms support from Cuba and other Communist countries are the real obstacle to peace and progress. In El Salvador an end to the present suffering and violence would permit that nation to get on with the task of economic reconstruction and progress.

The United States, with our long tradition of democratic change, recognizes the need for and supports peaceful and democratic evolution in El Salvador. The Government of El Salvador has already stated its commitment to fair and credible elections. The military, as well as the private sector, labor, and peasant groups, support honest elections. We strongly support elections as the most plausible long-term political solution to the crisis.

DEPARTMENT STATEMENT, MAR. 6, 1981¹

Yesterday the Government of El Salvador took a major step in initiating the electoral process, which is an integral and key element of its program to lead the country to peaceful democratic rule. A national electoral commission, installed yesterday, will begin immediately to prepare for the elections scheduled next year. We strongly support this progress toward elections. We believe these elections will permit the people of El Salvador to choose their leaders and determine the future of their country.

¹ Read to news correspondents by acting Department spokesman William J. Dyess. ■

The United States and Chile

by John A. Bushnell

Statement before the Subcommittee on Latin American Affairs of the House Foreign Affairs Committee on March 10, 1981. Mr. Bushnell is Acting Assistant Secretary for Inter-American Affairs.¹

The United States and Chile have a long history of close and friendly relations. Over the years, Chile has been one of the largest recipients of U.S. economic and technical assistance within the hemisphere. Relations deteriorated sharply after the election of Salvador Allende in 1970 because of the determination of many leftists within Chile to follow the example of Fidel Castro and create a Marxist-totalitarian state. As the result of severe economic dislocation and increasing violence, the Chilean military overthrew the Allende government in 1973. They had broad popular support for that action. Chile's new military rulers believed they had saved Chile from becoming a Soviet satellite, and they looked to the United States for support.

The new government settled expropriations of U.S. firms on an equitable basis. It has supported U.S. positions on many hemispheric and global issues, including, more recently, the Olympic boycott, instituted as the result of the Russian invasion of Afghanistan.

Human Rights

However, by the mid-1970s, the extent of human rights abuses brought about a cooling of relations. The U.S. Government called attention to violations in Chile and took and supported efforts to improve respect for human rights in Chile. In 1976 the Congress passed an amendment to the International Security Assistance and Arms Export Control Act which terminated new military assistance and sales for Chile.

In late 1976 and 1977 the human rights situation in Chile began to improve significantly. In late 1976 the government released all political prisoners being held without charges, and an amnesty in 1978 allowed most remaining prisoners to be released or go into exile. There were no reported disappearances after October of 1977. In July

1978 Chile allowed a special ad hoc working group of the U.N. Commission on Human Rights to visit all parts of Chile and meet with anyone they wished, including groups active in Chile in defending human rights. No other country has yet permitted a similar visit.

Despite significant improvements in the Chilean Government's human rights performance that have occurred over the past 4 years, many countries are reluctant to acknowledge them. This is in part because some violations do continue. It is due even more to the political emotions aroused by the Chilean experience. There are few countries in the world where the double standard on human rights is more blatant. Michael Novak, our delegate to the U.S. Human Rights Commission meeting in Geneva, noted on February 25: "... the abuses of human rights in Chile are by no means unique, either in Latin America, among nations in other continents, or in totalitarian states." What is often ignored is that there are a great many Chileans who believe in democracy and human rights and who support the current government.

Letelier-Moffitt Case

Had the Letelier-Moffitt assassinations not occurred in 1976 and had there not been three Chilean ex-intelligence officers indicted in Washington for involvement in the crime, it would have been logical for the United States to begin to take positive steps in 1978 to improve relations, and in the process to follow an evenhanded policy respecting Chile relative to other countries.²

But on September 21, 1976, the Letelier-Moffitt assassinations did occur and had a necessarily negative effect on U.S.-Chile relations. In August 1978 a Federal grand jury handed down indictments for three Chilean ex-intelligence officers, American citizen Michael Townley—who was a member of the Chilean intelligence service—and five Cubans living in the United States. The United States sought the extradition from Chile of the three Chilean officials. As required under Chilean law, the request was considered by the Chilean Supreme Court, first by the President of the court and then by a special review panel. The court rejected our request

principally on the grounds that most the evidence came from the plea-bargained testimony of Michael Townley and that under Chilean law such evidence is inadmissible. While we were extremely disappointed by the court's decision, we had exhausted our legal remedies.

I want to emphasize at this point that our subsequent actions related to Letelier-Moffitt were not taken as the result of the decision of the Chilean Supreme Court not to grant extradition of the three Chilean officers. Under the bilateral treaty of extradition between Chile and the United States, we recognize the right of either party to refuse extradition of its own nationals, even cases where evidence is ruled admissible and conclusive. Rather our actions were taken as the result of Chilean failure to pursue vigorous investigation and prosecution of those in Chile we believed to have committed crimes connected with the assassinations.

When the Supreme Court rejected our request for extradition in October 1979, a Chilean-originated investigation related to the same case had been underway for 20 months without real progress. We were determined to make clear that we could not condone the Government of Chile's failure to make a serious effort to investigate or prosecute on its own a case of international terrorism. As a result, the U.S. Government announced in November 1979 a series of measures including: (1) reducing the size of our mission in Chile by about one-fourth, (2) terminating the foreign military sales "pipeline" to Chile and thereby terminating all deliveries of military equipment to the Government of Chile by the U.S. Government, (3) eliminating our military group stationed at the Embassy in Santiago, (4) prohibiting new Export-Import Bank programs in Chile, and (5) not approving any new Overseas Private Investment Corp. guarantees or activities in Chile.

Subsequent to this announcement in early 1980, we decided not to invite the Chilean Navy to participate in the inter-American naval exercises known as UNITAS, because it would have been inappropriate to do so following the imposition of the sanctions. This was the first time in 21 years any of the normal participants had been so excluded.

These actions taken vis-a-vis the Government of Chile, as well as all the leading up to them, demonstrate a U.S. position on countering terrorism. We are a country which seeks the rule of law. For many months the Government investigated and prosecuted the case in Washington, D.C., developed and presented our case for extradition in Chile. During this time the Government of Chile turned out its American citizen Michael Letelier, who provided a substantial portion of the key evidence in the case for plea bargain; he, five Cubans, three Chilean intelligence officers indicted in Washington, D.C.; the other officers were removed from their jobs and placed under detention; the press in Chile and other countries covered the case in great detail, including the actions we took in late 1979. Many Chileans are very aware of the basic facts of the case and of the U.S. position on probable guilt. There is no doubt in the minds of Chileans and those elsewhere, that committing a terrorist act in the United States carries a high cost in terms of lives with us. We believe these steps have made an important contribution to deterring terrorism. While the Government of Chile has not fully investigated or prosecuted those implicated for the assassination while we will continue to urge that occur, we should note that the Government of Chile did provide a measure of cooperation in the case, the most notable example being turning over evidence to U.S. authorities. We do not want to overemphasize this point, but we do not want to overlook it in attempting to take a broad and balanced view of the case as we are doing today. We turn now to the Department of State announcement on February 20 that the United States was lifting the prohibition on Ex-Im financing and credits for Chile and that the Chileans would be invited to participate in the 2d annual UNITAS exercise.

Export-Import Bank Financing

We lifted the Ex-Im sanction because it was keeping with the intent of the legislation, specifically section 2(b) (1) (B) — known as the Chafee amendment — to the Export-Import Bank Act of 1945 amended. In enacting this statute, Congress set a high threshold for deter-

mining when Ex-Im credits could be denied for nonfinancial or noncommercial reasons.

Despite the clear wording of the law aimed at limiting the use of section 2(b) (1) (B), we believed that the special situation extant in November 1979 — an incomplete investigation in Chile — justified at least the temporary use of this sanction, the only time the Chafee amendment has ever been invoked. We believed this set of circumstances required a strong statement of condemnation by the United States and appropriate policy measures to demonstrate our concern. Our willingness to take steps which affected U.S. interests, as well as those of the Government of Chile, demonstrated the seriousness with which we viewed the matter.

The burden of the 1979 determination has fallen, however, on U.S. exporters, and thus on U.S. trade and jobs. The United States has no monopoly in supplying goods and services and has been placed at a competitive disadvantage in the rapidly growing market in Chile. We saw no purpose to the extension of this policy, which, while initiated to underline the seriousness of our views on Letelier-Moffitt, was serving primarily to penalize U.S. citizens and companies. Section 2(b) (1) (B) was enacted precisely to avoid such a result. The onus of proof rests with the Secretary of

State to show that continued restrictions of Ex-Im lending clearly and importantly advance U.S. policy in "such areas as international terrorism." The Secretary has determined that this cannot be demonstrated and thus revoked the 1979 determination.

Inter-American Naval Exercises

Concerning the UNITAS exercises, the fact that Chile was not invited last year does not determine policy for this year. Chile has an important navy in South America, and its participation enhances the value of the UNITAS exercise and strengthens overall hemispheric defense. In addition, Chile is important in our ability to maintain control of the southern sea lanes of communication.

Before concluding I want to say a word about the future course of our relations with Chile. I have already referred to the double standard as it has been applied to Chile. I would like to quote again from a statement by Michael Novak in Geneva: "In nontotalitarian societies, information on abuses is usually quite readily available. In closed totalitarian societies, such information is much more difficult to obtain. The unfortunate result is that we tend to spend more time criticizing those countries that are partly free, and making prog-

U.S. Lifts Prohibition on Ex-Im Financing for Chile

DEPARTMENT ANNOUNCEMENT,
FEB. 20, 1981¹

In keeping with the intent of legislation that Export-Import Bank financing not be restricted except when denial would "clearly and importantly advance U.S. policy," the prohibition on Ex-Im financing for U.S. exports to Chile has been lifted. As a result, American businesses will be able to compete more effectively with other exporters in Chile's rapidly expanding market.

Chile also is being invited to participate in the UNITAS exercise (inter-American naval exercise) this year. It was not invited last year. Ex-Im financing was suspended, and other actions were taken on November 30, 1979, because of the failure of the Government of Chile to make a serious effort to in-

vestigate and prosecute three Chilean ex-intelligence officers indicted by a U.S. court for the assassinations of Orlando Letelier and Ronni Moffitt. Our willingness to take steps, which affected U.S. interests as well as those of the Government of Chile, demonstrated the seriousness with which we viewed this matter. The actions taken were not intended to be permanent.

We continue to hope the Government of Chile will move to prosecute those implicated in the Letelier-Moffitt case, but unlike the 1978-79 request for extradition, we are not an active party to the investigation in Chile.

¹ Made available to news correspondents by acting department spokesman William J. Dyess. ■

TREATIES

ress toward more freedom, than those where little freedom exists."

In the case of Chile, we believe that our interests, including human rights, are best served by a less confrontational approach than has characterized policy in recent years. In the months ahead I expect there will be further steps to accord Chile equitable and evenhanded treatment.

¹ The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

² Orlando Letelier was Chilean Ambassador to the U.S. during the Allende period. He and his coworker, Ronni Moffitt (a U.S. citizen), were killed in Washington, D.C., by a bomb attached to their car. ■

Current Actions

MULTILATERAL

Antarctica

Recommendations relating to the furtherance of the principles and objectives of the Antarctic treaty (TIAS 4780). Done at Canberra July 24, 1961. Entered into force Apr. 30, 1962. TIAS 5094.

Notification of approval: F.R.G., Feb. 17, 1981.

Recommendations relating to the furtherance of the principles and objectives of the Antarctic treaty (TIAS 4780). Done at Buenos Aires July 28, 1962. Entered into force Jan. 11, 1963. TIAS 5274.

Notification of approval: F.R.G., Feb. 17, 1981.

Recommendations relating to the furtherance of the principles and objectives of the Antarctic treaty (TIAS 4780). Done at Santiago Nov. 18, 1966. Entered into force Oct. 30, 1968 for IV 6 and 20-28. TIAS 6668.

Notification of approval: F.R.G., Feb. 17, 1981.¹

Recommendations relating to the furtherance of the principles and purposes of the Antarctic treaty. Done at Paris Nov. 29, 1968. Entered into force May 26, 1972 for V 1-4 and 9; July 31, 1972 for V 7 and 8. TIAS 7692.

Notification of approval: F.R.G., Feb. 17, 1981.²

Recommendations relating to the furtherance of the principles and objectives of the Antarctic treaty (TIAS 4780). Done at Tokyo Oct.

30, 1970. Entered into force Oct. 10, 1973, for VI 1-7 and 11-15. TIAS 7796.

Notification of approval: F.R.G., Feb. 17, 1981.³

Recommendations relating to the furtherance of the principles and objectives of the Antarctic treaty (TIAS 4780). Done at Wellington Nov. 10, 1972. Entered into force May 29, 1975, for VII 1-3 and 6-8. TIAS 8500.

Notification of approval: F.R.G., Feb. 17, 1981.⁴

Recommendations relating to the furtherance of the principles and objectives of the Antarctic treaty (TIAS 4780). Done at Oslo June 20, 1975. Entered into force Dec. 16, 1978, for VIII 6-8 and 10-14; Sept. 1, 1980, for VIII 3-4.

Notification of approval: F.R.G., Feb. 17, 1981.⁵

Recommendations relating to the furtherance of the principles and objectives of the Antarctic treaty (TIAS 4780). Done at London Oct. 7, 1977.⁶

Notification of approval: Poland, Feb. 12, 1981.

Recommendations, including agreed measures for conservation of Antarctic fauna and flora. Done at Brussels June 2-13, 1964. Entered into force July 27, 1966; except for III 7, 8, and 9; Sept. 1, 1966, for III 9; Dec. 22, 1978, for III 8. TIAS 6058.

Notification of approval: F.R.G., Feb. 17, 1981.⁷

Astronauts

Agreement on the rescue of astronauts, the return of astronauts, and the return of objects launched into outer space. Done at Washington, London, and Moscow Apr. 22, 1968. Entered into force Dec. 3, 1968. TIAS 6599.

Ratification deposited: Netherlands, Feb. 17, 1981.⁸

Atomic Energy

Protocol prolonging the agreement of Mar. 27, 1968, (TIAS 6433) between the International Atomic Energy Agency, Venezuela, and the U.S. for the application of safeguards. Done at Vienna Feb. 18, 1981. Entered into force Feb. 18, 1981.

Automotive Traffic

Convention on road traffic, with annexes and protocol. Done at Geneva Sept. 19, 1949. Entered into force Mar. 26, 1952. TIAS 2487.

Accession deposited: Papua New Guinea, Feb. 12, 1981.

Aviation, Civil

Convention on international civil aviation. Done at Chicago Dec. 7, 1944. Entered into force Apr. 4, 1947. TIAS 1591.

Adherence deposited: Zimbabwe, Feb. 11, 1981.

Coffee

International coffee agreement 1976, with annexes. Done at London Dec. 3, 1975. Entered into force Oct. 1, 1976, provisionally; Aug. 1977, definitively. TIAS 8683.
Accession deposited: Zimbabwe, Jan. 22, 1981.

Collisions

Convention on the international regulations for preventing collisions at sea, 1972, with regulations. Done at London Oct. 20, 1972. Entered into force July 15, 1977. TIAS 8683.
Accessions deposited: Cyprus, Nov. 4, 1978; Malaysia, Dec. 23, 1980.

Commodities—Common Fund

Agreement establishing the Common Fund for Commodities, with schedules. Done at Geneva June 27, 1980.⁹
Signatures: Morocco, Jan. 22, 1981; Portugal, Jan. 30, 1981; Zambia, Feb. 3, 1981.

Containers

International convention for safe containers (CSC), with annexes. Done at Geneva Dec. 1972. Entered into force Sept. 6, 1977; for the U.S. Jan. 3, 1979. TIAS 9037.
Accession deposited: Guinea, Jan. 19, 1981.

Diplomatic Relations

Vienna convention on diplomatic relations. Done at Vienna Apr. 18, 1961. Entered into force Apr. 24, 1964; for the U.S. Dec. 13, 1972. TIAS 7502.
Accession deposited: Saudi Arabia, Feb. 1981.

Finance

Agreement establishing the International Fund for Agricultural Development. Done at Rome June 13, 1976. Entered into force Dec. 30, 1977. TIAS 8765.
Accession deposited: Zimbabwe, Jan. 22, 1981.

Gas, Warfare

Protocol for the prohibition of the use in war of asphyxiating, poisonous, or other gases and of bacteriological methods of warfare. Done at Geneva June 17, 1925. Entered into force Feb. 8, 1928; for the U.S. Apr. 10, 1975. TIAS 8061.

Accessions deposited: Vietnam, Sept. 23, 1980;^{9,10} Sudan, Dec. 17, 1980.
Succession deposited: Papua New Guinea, Sept. 2, 1980.⁹

Human Rights

International covenant on economic, social and cultural rights. Adopted at New York Dec. 16, 1966. Entered into force Jan. 3, 1976.¹¹
Ratification deposited: Honduras, Feb. 17, 1981.

Load Lines

International convention on load lines, 1966. Done at London Apr. 5, 1966. Entered into force July 21, 1968. TIAS 6331, 6629.
Accession deposited: Guinea, Jan. 19, 1981.

amendments to the international convention on lines, 1966, (TIAS 6331) relating to amendments to the convention. Adopted at London Nov. 12, 1975.⁶
Accession deposited: U.S.S.R., Jan. 6, 1981.

Time Matters

Convention on the Intergovernmental Maritime Consultative Organization. Done at Geneva Mar. 6, 1948. Entered into force Jan. 7, 1958. TIAS 4044.
Accession deposited: El Salvador, Feb. 12, 1981.

Amendments to the convention of Mar. 6, 1948, as amended, (TIAS 4044, 6285, 6490), on the Intergovernmental Maritime Consultative Organization. Done at London Oct. 4, 1975.⁶
Accessions deposited: El Salvador, Feb. 12, 1981; Pakistan, Jan. 23, 1981.

Amendments to the convention of Mar. 6, 1948, as amended, (TIAS 4044, 6285, 6490), on the Intergovernmental Maritime Consultative Organization. Done at London Oct. 7, 1977.⁶
Accessions deposited: El Salvador, Feb. 12, 1981; Pakistan, Jan. 23, 1981.

Amendments to the convention of Mar. 6, 1948, as amended, (TIAS 4044, 6285, 6490), on the Intergovernmental Maritime Consultative Organization. Done at London Oct. 5, 1979.⁶
Accession deposited: U.S.S.R., Jan. 23, 1981.

International convention on standards of training, certification, and watchkeeping for seafarers, 1978. Done at London July 7, 1978.

Ratifications deposited: Denmark, Jan. 20, 1981; Liberia, Oct. 28, 1980; Sweden, Nov. 1981; U.K., Nov. 28, 1980.⁹

Maritime Material—Physical Protection

Convention on the physical protection of nuclear material, with annexes. Done at Vienna Oct. 26, 1979.⁶

Accession deposited: Romania, Jan. 15, 1981.^{9,10}

Nuclear Test Ban

Treaty on banning nuclear weapon tests in the atmosphere, in outer space, and under water. Done at Moscow Aug. 5, 1963. Entered into force Oct. 10, 1963. TIAS 5433.

Notification of succession: Papua New Guinea, Nov. 13, 1980.

Pollution

International convention for the prevention of pollution of the sea by oil, with annexes. Done at London May 12, 1954. Entered into force July 26, 1958; for the U.S. Dec. 8, 1960. TIAS 4900.

Accession deposited: Guinea, Jan. 19, 1981.

Protocol relating to intervention on the high seas in cases of pollution by substances other than oil. Done at London Nov. 2, 1973.⁶
Accession deposited: Yugoslavia, Oct. 31, 1981.

Protocol of 1978 relating to the international convention for the prevention of pollution from ships, 1973. Done at London Feb. 17, 1978.⁶

Accessions deposited: Denmark, Nov. 27, 1980;^{9,10} Yugoslavia, Oct. 31, 1980.

Red Cross

Protocol additional to the Geneva conventions of Aug. 12, 1949, (TIAS 3362, 3363, 3364, 3365) and relating to the protection of victims of international armed conflicts (protocol I), with annexes. Adopted at Geneva June 8, 1977. Entered into force Dec. 7, 1978.¹¹
Ratification deposited: Laos, Nov. 18, 1980.

Protocol additional to the Geneva conventions of Aug. 12, 1949, (TIAS 3362, 3363, 3364, 3365) and relating to the protection of victims of noninternational armed conflicts (protocol II). Adopted at Geneva June 8, 1977. Entered into force Dec. 7, 1978.¹¹
Ratification deposited: Laos, Nov. 18, 1980.

Rubber

International natural rubber agreement, 1979. Done at Geneva Oct. 6, 1979. Entered into force provisionally Oct. 23, 1980.
Ratification deposited: Norway, Feb. 4, 1981.

Safety at Sea

International convention for the safety of life at sea, 1974, with annex. Done at London Nov. 1, 1974. Entered into force May 25, 1980. TIAS 9700.

Accessions deposited: Finland, Nov. 21, 1980; Guinea, Jan. 19, 1981; Maldives, Jan. 14, 1981; Papua New Guinea, Nov. 12, 1980; Qatar, Dec. 22, 1980.
Ratification deposited: Republic of Korea, Dec. 31, 1980.

Satellite Communications System

Convention on the international maritime satellite organization (INMARSAT), with annex. Done at London Sept. 3, 1976. Entered into force July 16, 1979. TIAS 9605.

Accession deposited: Oman, Dec. 30, 1980.

Ratification deposited: Liberia, Nov. 14, 1980.

Operating agreement on the international maritime satellite organization (INMARSAT), with annex. Done at London Sept. 3, 1976. Entered into force July 16, 1979. TIAS 9605.
Signatures: Liberia, Nov. 14, 1980; Oman, Dec. 30, 1980.

Space

Treaty on principles governing the activities of states in the exploration and use of outer space, including the Moon and other celestial bodies. Done at Washington, London, and Moscow Jan. 27, 1967. Entered into force Oct. 10, 1967. TIAS 6347.

Succession deposited: Papua New Guinea, Oct. 27, 1980.

Convention on international liability for damage caused by space objects. Done at Washington, London, and Moscow Mar. 29, 1972.

Entered into force Sept. 1, 1972; for the U.S. Oct. 9, 1973. TIAS 7762.
Accession deposited: Netherlands, Feb. 17, 1981.⁸

Sugar

International sugar agreement, 1977, with annexes. Done at Geneva Oct. 7, 1977. Entered into force provisionally Jan. 1, 1978; definitively, Jan. 2, 1980. TIAS 9664.
Accession deposited: Ivory Coast, Jan. 23, 1981.

Telecommunications

Final Acts of the World Administrative Radio Conference for the planning of the broadcasting-satellite service in frequency bands 11.7–12.2 GHz (in Regions 2 and 3) and 11.7–12.5 GHz (in Region 1), with annexes. Done at Geneva Feb. 13, 1977. Entered into force Jan. 1, 1979.¹¹
Approval deposited: Finland, Nov. 19, 1980.

Partial revision of the radio regulations (Geneva, 1959), as revised, relating to the aeronautical mobile (R) service, with annexes and final protocol. Done at Geneva Mar. 5, 1978. Entered into force Sept. 1, 1979, for the U.S. Oct. 22, 1980, except for the frequency allotment plan for the aeronautical mobile (R) service which shall come into force on Feb. 1, 1983.

Approvals deposited: Finland, Nov. 19, 1980; Singapore, Nov. 3, 1980.

Terrorism

International convention against the taking of hostages. Adopted at New York Dec. 17, 1979.⁶

Ratification deposited: El Salvador, Feb. 12, 1981.

Tonnage Measurement

International convention on tonnage measurement of ships, 1969, with annexes. Done at London June 23, 1969.⁶

Accession deposited: Guinea, Jan. 19, 1981.

Extended to: Hong Kong, Jan. 16, 1981.

Trade

Arrangement regarding bovine meat. Done at Geneva Apr. 12, 1979. Entered into force Jan. 1, 1980. TIAS 9701.

Acceptance deposited: Tunisia, Oct. 21, 1980.

UNIDO

Constitution of the U.N. Industrial Development Organization, with annexes. Adopted at Vienna Apr. 8, 1979.⁶

Ratifications deposited: Libya, Thailand, Jan. 29, 1981; Tunisia, Feb. 2, 1981; Switzerland, Feb. 10, 1981; Norway, Feb. 13, 1981.
Signature: Ethiopia, Feb. 18, 1981.

Wheat

Protocol modifying and further extending the wheat trade convention (part of the international wheat agreement), 1971 (TIAS 7144). Done at Washington Apr. 26, 1978. Entered into force June 24, 1978, with respect to cer-

tain provisions, July 1, 1978, with respect to other provisions. TIAS 9459.
Accession deposited: Morocco, Feb. 5, 1981.

Protocol modifying and further extending the wheat trade convention (part of the international wheat agreement), 1971 (TIAS 7144). Done at Washington Apr. 25, 1979. Entered into force June 23, 1979, with respect to certain provisions, July 1, 1979, with respect to other provisions. TIAS 9878.
Accession deposited: Morocco, Feb. 5, 1981.

Food aid convention, 1980 (part of the international wheat agreement), 1971, as extended (TIAS 7144, 9878). Done at Washington Mar. 11, 1980. Entered into force July 1, 1980.
Accession deposited: Spain, Feb. 24, 1981.

BILATERAL

British Virgin Islands

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, with related letter. Signed at Washington Feb. 18, 1981. Enters into force upon the exchange of instruments of ratification.

Bulgaria

Agreement on maritime transport, with exchanges of letters. Signed at Sofia Feb. 19, 1981. Entered into force Feb. 19, 1981.

China

Agreement relating to the reciprocal issuance of visas to crew members of aircraft and vessels. Effected by exchange of notes at Beijing Jan. 7, 1981. Entered into force Jan. 7, 1981.

Agreement modifying the consular convention of Sept. 17, 1980. Effected by exchange of notes at Beijing Jan. 17, 1981. Enters into force at the same time as the consular convention.

Egypt

Agreement relating to cooperation in the areas of science and technology. Signed at Cairo Jan. 11, 1981. Entered into force Jan. 11, 1981.

Agreement on health cooperation. Signed at Washington Jan. 13, 1981. Entered into force Jan. 13, 1981.

El Salvador

Agreement for sales of agricultural commodities. Signed at San Salvador Jan. 22, 1981. Entered into force Jan. 22, 1981.

Germany, Federal Republic of

Agreement amending and extending the technical exchange and cooperative arrangement of Dec. 20, 1974, (TIAS 9067) in the field of management of radioactive wastes. Signed at Bonn Mar. 19, 1980. Entered into force Mar. 19, 1980.

Guyana

Agreement concerning the provision of training related to defense articles under the U.S. International Military Education and Training (IMET) Program. Effected by exchange of notes at Georgetown Jan. 13 and 22, 1981. Entered into force Jan. 22, 1981.

Hungary

Agreement extending the air transport agreement of May 30, 1972, as amended and extended (TIAS 7577, 8096, 8617, 9789). Effected by exchange of notes at Budapest Dec. 31, 1980. Entered into force Dec. 31, 1980; effective Jan. 1, 1981.

India

Agreement amending the agreement of Dec. 30, 1977, as amended (TIAS 9036, 9232), relating to trade in cotton, wool, and man-made fiber textiles and textile products. Effected by exchange of letters at Washington Dec. 12 and 22, 1980. Entered into force Dec. 22, 1980.

Iran

Declarations of the Government of the Democratic and Popular Republic of Algeria concerning commitments and settlement of claims by the U.S. and Iran with respect to resolution of the crisis arising out of the detention of 52 United States nationals in Iran, with undertakings and escrow agreement. Initialed at Algiers Jan. 19, 1981. Entered into force Jan. 19, 1981.

Israel

Agreement concerning claims arising from damage to the U.S.S. *Liberty*. Effected by exchange of notes at Washington Dec. 15 and 17, 1980. Entered into force Dec. 17, 1980.

Japan

Technical exchange arrangement in the field of regulatory matters, with memorandum of intent. Signed at Washington and Tokyo Sept. 12 and 29, 1980. Entered into force Sept. 29, 1980.

Kenya

Agreement for sales of agricultural commodities. Signed at Nairobi Dec. 31, 1980, and Jan. 7, 1981. Entered into force Dec. 31, 1980.

Malaysia

Agreement amending the agreement of May 17 and June 8, 1978, as amended (TIAS 9180, 9602), relating to trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of letters at Washington and New York Dec. 30, 1980 and Jan. 20, 1981. Entered into force Jan. 20, 1981.

Mexico

Cooperative agreement relating to construction of a laboratory to assist the Government of Mexico in combatting the Mediterranean fruit fly (MEDFLY). Signed at Washington and Mexico Aug. 17, 1978. Entered into force Aug. 17, 1978.

Agreement amending the cooperative agreement of Aug. 17, 1978, relating to construction of a laboratory to assist the Government of Mexico in combatting the Mediterranean fruit fly (MEDFLY). Signed at Washington and Mexico Nov. 12, 1980. Entered into force Nov. 12, 1980.

Agreement amending the agreement of 2, 1977, (TIAS 8952) relating to additional cooperative arrangements to curb the illicit traffic in narcotics. Effected by exchange of letters at Mexico Jan. 2, 1981. Entered into force Jan. 2, 1981.

Agreement relating to additional cooperative arrangements to curb the illegal traffic in narcotics. Effected by exchange of letters at Mexico Jan. 3, 1981. Entered into force 3, 1981.

Agreement amending the agreement of 22, 1978, (TIAS 9248) relating to additional cooperative arrangements to curb the illicit traffic in narcotics. Effected by exchange of letters at Mexico Jan. 27, 1981. Entered into force Jan. 27, 1981.

Convention for the recovery and return of stolen or embezzled vehicles and aircraft. Signed at Washington Jan. 15, 1981. Enters into force on the date of the exchange of instruments of ratification.

International express mail agreement, with detailed regulations. Signed at Mexico Feb. 13, 1981. Enters into force on the date mutually agreed upon.

New Zealand

Memorandum of understanding concerning cooperation to assure the sanitary quality of bivalve molluscs exported to the U.S. Signed at Washington and Wellington Oct. 14 and 30, 1980. Entered into force Oct. 30, 1980.

Treaty on the delimitation of the maritime boundary between Tokelau and the U.S. Signed at Atafu Dec. 2, 1980. Enters into force on the date of exchange of instruments of ratification.

Nigeria

Agreement for the provision of technical services in the preparation of a comprehensive soil survey of Nigeria. Signed at Lagos Sept. 22, 1980. Enters into force after signature by representatives of the parties and after the deposit by the Nigerian Ministry of Agriculture in the account of the trust agreed upon or the issuance of an irrevocable letter of credit.

Norway

Agreement concerning fisheries off the coast of the U.S., with annex and agreed minutes. Signed at Washington Jan. 26, 1981. Enters into force on a date to be mutually agreed upon, upon the completion of internal procedures of both governments.

Peru

Agreement for sales of agricultural commodities, relating to the agreement of April

8, (TIAS 9604) with memorandum of understanding. Signed at Lima Feb. 5, 1981. Entered into force Feb. 5, 1981.

ent extending the agreement of Dec. 7 as renewed and amended, (TIAS 931) relating to civil air transport. Entered into force Jan. 12, 1981.

ent for sales of agricultural commodities, relating to the agreement of Mar. 93 (TIAS 9222). Signed at Mogadishu 1981. Entered into force Jan. 12,

ent amending the agreement of May 4, 1951, as amended and extended S259, 4436, 5037, 7126, 8414), relating to facilities of Radio Ceylon. Effected by exchange of letters at Colombo Nov. 28, 1981. Entered into force Jan. 22, 1981. Enters into force when legal requirements for the approval of government have been satisfied and a exchange of diplomatic notes to effect has taken place.

ent for sales of agricultural commodities, relating to the agreement of Dec. 9 (TIAS 9157). Signed at Khartoum 1981. Entered into force Jan. 19,

Kingdom ent between the Lords Commissioners of Her Majesty's Treasury and the Treasury relating to gold exchange. Entered into force Jan. 16, 1981. Entered into force Jan. 16, 1981.

Nations supplemental agreement regarding the terms of the U.N., with annexes. Entered into force Dec. 10, 1980. Entered into force Dec. 10, 1980.

High Commissioner for Refugees ent relating to assistance with Cuban exiles. Done at Geneva May 16 and 21, 1980. Entered into force May 21, 1980.

does not include IV 1-19.
does not include V 5-6.
does not include VI 8, 9, 10.
does not include VII 4, 5, 9.
does not include VIII 1, 2, 5, 9.
not in force.
does not include III 8.
applicable to the Kingdom in Europe and the Netherlands Antilles.
with reservation.
with declaration.
not in force for the U.S.
reservation as to the application to the Faroe Islands and Greenland.
with a statement. ■

February 1981

February 1

Robert E. White is dismissed as U.S. Ambassador to El Salvador by Secretary Haig.

February 10

Cynthia Dwyer, American freelance journalist, departs Tehran after being held for 9 months on charges of espionage.

February 20

Reagan Administration lifts the restriction on Export-Import Bank financing for trade with Chile because it was inconsistent with provisions of the Chafee amendment to the Export-Import Bank Act.

February 23

State Department releases report on Communist support for insurgent forces in El Salvador.

February 24

The following newly appointed Ambassadors presented their credentials to President Reagan: Charles A. T. Skeete of Barbados, Keith Johnson of Jamaica, and Saud Al-Sabah of Kuwait.

February 25

British Prime Minister Margaret Thatcher visits U.S. and makes official visit to Washington, D.C., Feb. 25-28.

February 28

State Department announces that the U.S. is assigning a 6-man naval training team to El Salvador to assist the Salvadoran navy in maintaining its patrol boats. ■

Department of State

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

No.	Date	Subject
28	2/1	Alexander M. Haig, Jr., sworn in as the 59th Secretary of State (biographic data).
*29	2/2	L. Paul Bremer III named Executive Secretary of the Department (biographic data).
*30	2/3	Robert Lyle Brown named Inspector General of the Department (biographic data).
*31	2/3	Richard R. Burt named Director of Politico-Military Affairs (biographic data).
*32	2/3	Joan M. Clark named Director General of the Foreign Service (biographic data).
*33	2/3	Paul D. Wolfowitz named Director of Policy Planning (biographic data).
*34	2/3	Sherwood D. Goldberg named Executive Assistant to the Secretary (biographic data).
*35	2/6	U.S., Malaysia amend textile agreement, Dec. 30 and Jan. 20.
*36	2/6	U.S., Thailand amend textile agreement, Nov. 13 and 17.
*37	2/6	U.S., India amend textile agreement, Dec. 12 and 22.
*38	2/10	U.S. Organization for the International Radio Consultative Committee (CCIR), study group 6, Feb. 26.
*39	2/10	CCIR, study group 1, Mar. 4.
*40	2/10	U.S. Organization for the International Telegraph and Telephone Consultative Committee (CCITT), study group A, Feb. 25.
*41	2/10	CCITT, national committee, Feb. 24.
*42	2/10	Advisory committee on the Law of the Sea, Feb. 18 (closed).
*43	2/10	Shipping Coordinating Committee (SCC), Subcommittee on Safety of Life at Sea (SOLAS), working group on radiocommunications, Feb. 19.
*44	2/10	SCC, SOLAS, working group on radiocommunications, Feb. 19.
*45	2/11	Haig: remarks at the presentation of the Charles Evans Hughes gold medal to Walter Cronkite by National Conference of Christians and Jews, New York, Feb. 9.
*46	2/19	CCIR, study group CMTT, Mar. 11.

PUBLICATIONS

- *47 2/19 CCIR, study group 7, Mar. 12.
- *48 2/19 SCC, SOLAS, working group on fire protection, Mar. 12.
- *49 2/19 Fine arts committee, Mar. 14.
- *50 2/20 Program for the visit of British Prime Minister Thatcher, Feb. 25-28.
- 51 2/24 Haig: interview for French television, Feb. 23.
- *52 2/24 SCC, SOLAS, working group on subdivision, stability, and load lines, Mar. 11.
- 53 2/26 U.S., Canada, and European states discuss North Atlantic aviation situation.
- 54 2/27 Haig: news conference for British press.

* Not printed in the BULLETIN. ■

Department of State

Free, single copies of the following Department of State publications are available from the Public Information Service, Bureau of Public Affairs, Department of State, Washington, D.C. 20520.

Secretary Haig

News conference of Jan. 28, 1981 (Current Policy #258).

Africa

Somali Refugees (GIST, Mar. 1981).

Background Note on Somalia (Jan. 1981).

East Asia

U.S.-China Exchanges (GIST, Mar. 1981).

Economics

Multinational Corporations (GIST, Mar. 1981).

Europe

Ninth Semiannual Report: Implementation of Helsinki Accord, June 1, 1980-November 30, 1980 (Special Report #77).

The Baltic Republics: U.S. Policy (GIST, Feb. 1981).

Background Note on Hungary (Dec. 1980).

Middle East

Chronology of Events in Iran, November 4, 1979-January 27, 1981 (BULLETIN Reprint).

Science & Technology

New Science and Technology Roles in Foreign Policy, Assistant Secretary Pickering, Jan. 29, 1981 (Current Policy #260).

South Asia

Afghanistan: A Year of Occupation, by Eliza Van Hollen, Feb. 1981 (Special Report #79).

Western Hemisphere

Central American Review, Acting Assistant Secretary Bushnell, Mar. 5 (Current Policy #26).

Communist Interference in El Salvador, Department of State report, Feb. 23 (Special Report #80).

U.S. Policy Toward El Salvador, Department statement (Public Information Series).

Background Note on El Salvador (Feb. 1981).

Background Note on Netherlands Antilles (Dec. 1980). ■

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